

# KIZAD The Industrial Zone of tomorrow

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Khalifa Industrial Zone Abu Dhabi (KIZAD) is a brand name used for the new industrial zone located in Al Taweela area operating under Abu Dhabi Ports Company (ADPC).

Kizad is governed under Ministerial Resolution No. 88 of 2006 regarding the establishment of Abu Dhabi Ports Operating Company. In the said Ministerial Resolution, ADPC can own, operate and develop all the ports in the emirate of Abu Dhabi, and has the right to construct industrial cities and free zone areas.

## **Kizad' Strategic advantages**

Kizad is well positioned to give investors optimum access and reach to markets within the region and the world. Many factors influence the decision of where to locate a business, and Kizad sets out to address the most critical of these, efficient access to markets, low operating costs and ease of doing business in a uniquely proactive way.

In keeping with Abu Dhabi's 2030 vision to harness industrial diversification, Kizad is located on a 417 sq km greenfield site selected as a prominent gateway to capture regional industrial development. The Kizad site is located halfway between Abu Dhabi and Dubai, two major markets with existing business and industrial infrastructure and is in the proximity to three international airports: Abu Dhabi International Airport, Al Maktoum International Airport and Dubai International Airport.

It consists of Area A and Area B. Area A is divided into specific area plans to afford a myriad of industrial activities ranging from aluminium production, trading and logistics operations to healthcare equipment manufacturing.

Area B, although allocated for commercial and industrial uses, further supports the industrial development by providing support services and amenities such as workforce residential communities and retail. Kizad is dynamic and comprehensively designed for socio-economic sustainability thereby ensuring successful longevity.

Kizad offers a world class infrastructure and multinational connectivity with roads, ports and rail networks that ensure easy accessibility to and from the industrial zone.

## **Ownership Options – Free Zone or Non-Free Zone? Or both?**

KIZAD will be the first industrial zone in the region which offers both Free Zone and Non – Free Zone status. This model provides opportunities for both types of business to maximise the benefits of their customs schemes.

Kizad presents two types of regulations based on the type of industry:

1- Companies established outside the Free Zone area are governed by the rules and regulations stipulated in the Commercial Companies Law (CCL) and the prevailing laws in the emirate of Abu Dhabi.

2- Companies established within KIZAD are governed by the rules and regulations of the free zone authority being Abu Dhabi Free Zone Authority (ADFZA). As such, the industrial licenses will be

issued by ADFZA.

However, whether you chose the Free Zone or the Non Free Zone, the whole of KIZAD is an investment zone meaning that non UAE nationals can have greater property rights than is normally possible including the right to take a Musataha.

### **Type of companies**

Two types of companies can be established in KIZAD:

1- Free Zone Companies (regulated by ADFZA):

- a. LLC;
- b. FZCO

2- Non – Free Zone companies: as per the UAE Commercial Companies Law.

The regulations for both types of companies are the same in terms of land registration, but the licensing body differs. Currently, industrial licenses for Non-Free Zone Companies being established in KIZAD are issued by ZonesCorp (Higher Corporation for Specialized Economic Zones) as they are the authority delegated by the Department of Economic Development (DED) to issue industrial licenses. On the other hand, industrial licenses for Free Zone companies being established in KIZAD are issued by KIZAD /ADFZA. In the near future, DED will establish an independent authority for issuing industrial licenses for both KIZAD and ZonesCorp.

### **One Stop Shop services**

KIZAD is working to speed up the process of obtaining the necessary permits, licenses, approvals and clearances by creating simple, streamlined administrative procedures for investors.

KIZAD has launched a One Stop Shop service that responds to the needs and expectations of both local and international businesses. From a single location, all necessary information and services related to establishing businesses within the industrial zone will be delivered by a single point of contact who will be an industry specialist with the skills, knowledge and understanding to respond to investor's requirements. The services provided by KIZAD include fulfilling human resources and immigration requirements, utilities connections, waste management, logistics and facilities management.

Every business in KIZAD will have a dedicated Relationship Manager based in the industrial zone.

### **Simplifying setup procedures**

Finding the ideal location for investors is one of the priorities of KIZAD's management team.

KIZAD's Business Services and Technical Services teams will work with investors to simplify set up from the land leasing application process, plot allocation, the Preliminary Agreement through to the signing of the Musataha Agreement, which is a long-term property right (up to 50 years) agreement that is registered at the Abu Dhabi Land Registry department.

The first step is for applicants to fill out an Industrial Project Application (IPA) form for Industrial Projects or a Logistic Projects Application (LPA) form for Logistics Projects. These two forms differ according to the type of facility or operation the applicant plans to establish.

The forms contain the applicant company details, the project timelines & financials, the land requirements and facilities details, the project workforce & accommodation, the operations &

logistics, the utilities and services etc.

Upon completion of the appropriate form, KIZAD's Business Services and Technical Services team will review the application. It will then be sent to the Plot Allocation Committee which assigns the most appropriate plot of land for the applicant's business.

The next stage involves talks between the applicant and KIZAD before a final agreement on the venture being established in the industrial zone is reached.

The applicant may then opt for a Preliminary Agreement (PA), which is usually for a six months period, allowing time to complete any required conditions (Environmental approval, Soil testing, Constitutive documents (Company Memorandum of Association and registration), Conceptual design approval, Business Plan, work description of the construction) or move on to signing the final agreement.

When the PA is signed, an introductory meeting is conducted between the applicant and KIZAD's customer services and the designated relationship manager. During this meeting, all application forms are handed over to the applicant, and all steps and requirements for registration are explained. Thereafter, the applicant has a period of 6 months to achieve/obtain the aforementioned conditions.

At this stage, the applicant can apply for a Preliminary Industrial License (PIL)

To help the applicant meet these conditions, KIZAD offers its customer service support and a relationship manager will be assigned for the applicant's project to assist in obtaining all the necessary approvals and other requirements.

Business owners that have completed all stages of the land leasing process are invited to sign a Musataha agreement. This is a long-term property right agreement that is capable of being registered at the Abu Dhabi Land Registry department in the name of the investor.

Signing the agreement ensures the investors are able to legally own all assets developed on their plot of land within KIZAD while they reside in the industrial zone, and guarantee tenure provided the business operates within the terms of its license. The terms of these agreements can be up to 50 years.

Once the Musataha agreement is signed, KIZAD will register the plot of land in the name of the applicant and will grant him access to it.

All companies entering into the Musataha agreement are subject to KIZAD's rules and regulations, which are in place to establish a safe, efficient and sustainable business environment.

Once the Musataha agreement is signed, the applicant can commence the construction and mobilization processes and can even start its operations.

On completion of the construction, the PIL obtained will be converted into a permanent industrial license.

KIZAD is a new entity on the Abu Dhabi industrial scene but one which will make a big impact. As can be seen, it sets up both a Free Zone and a Non-Free Zone in an attempt to attract different types of businesses.

It is also organizing itself with a view to making the establishment process as painless as possible. The types of companies that can be set up there are in line with other free zones in Abu Dhabi (for the Free Zone part) and the rest of the UAE (for the Non-Free Zone part) and being an investment zone, companies setting up there can get extended property rights. KIZAD is definitely a welcome

and exciting addition to the Abu Dhabi business scene.