

What is a Jebel Ali Free Zone Offshore Company?

by Panagiotis Dermatis - p.dermatis@tamimi.com -

September 2015

Incorporation of entities in JAFZ

Shareholders	Share capital	Company name
One or more shareholders are required, which can be legal or natural persons. There are no restrictions on nationality*.	The share capital is denominated in United Arab Emirates Dirham (AED). There is no minimum share capital requirement.	All permitted** names must be followed by the suffix "Limited".
Directors	Secretary	Zero Tax
Two or more directors, who must be natural persons, are required. However, a natural person shareholder can also be a director. There are no restrictions on nationality*.	One secretary is required, who must be natural person. However, a director or natural person shareholder can also be a secretary. There are no restrictions on nationality*.	No corporate, capital gains, capital repatriation, or any other tax is levied on the offshore company.
Office Space	Licensing	JAFZ Registration & Renewal Fees
The registered office space of the JAFZ offshore company is that of its registered agent.	A JAFZ offshore company is not issued with a licence, only a certificate of incorporation. Therefore, it cannot conduct business with persons in the UAE.	AED 10,100 for registration and AED 2,500 for annual renewal of registration.

* All natural persons undergo a screening conducted by the UAE Criminal Investigations Department (CID). Subject to the CID report and the UAE's current immigration policies, certain individuals and nationalities are barred from acting as shareholders or company officers.

** Offshore company names may be rejected where they include or allude to an association the following fields of work: Insurance, Banking, Financial, Professional Services, Consulting, Intellectual Property, Media, Security, Publishing, Advertising, Movie Production, Gambling, Casino, Game & Win, Advisory, Real Estate, Military, and Education.

Registered Agent Requirements:

All actions and administrative duties, that require dealing with JAFZ Authority in relation to the offshore company, are performed through the registered agent on behalf of the shareholder(s). The registered agent will also liaise with the JAFZ company registry to pay the annual renewal of registration fee for the offshore company. As offshore companies are in practice not permitted to have their own registered address, the registered address of the offshore company is that of its registered agent.

Licensing and Permitted Activities:

Unlike an operating company with a business licence that is incorporated in the UAE, whether incorporated in JAFZ, the UAE mainland jurisdiction, or other free zones, the JAFZ offshore company is not issued with a business licence at the time of incorporation. Rather, the offshore company only receives a certificate of incorporation. Other corporate documents for the offshore company will include a memorandum and articles of association. Because a business licence is not issued, the offshore company cannot conduct any commercial activity with persons within the UAE.

However, as commercial activities conducted outside the UAE are not subject to UAE law, the offshore company may conduct commercial activities outside the UAE.

Whilst the JAFZ offshore company is not permitted to conduct any type of business or activity in the UAE, it does, subject to JAFZ Authority's approval and the Dubai Land Departments' current policy, retain the right to acquire freehold property within specific designated areas in Dubai.

A JAFZ offshore can also act as a holding company by way of acquiring shares in UAE mainland companies and other free zone companies, as well as, subject to the applicable banks policy, open a bank account, pledge its shares, and secure loans and other finance facilities.

Al Tamimi & Company:

Al Tamimi and Company is licensed to act as a registered agent of JAFZ offshore companies. Our [Corporate Structuring team](#) regularly assist clients in incorporating and maintaining JAFZ offshore companies, while our [Property department](#) regularly assists with the acquisition and registration of free hold properties in designated areas on behalf of offshore companies.

Transferring Real Property?

Contact:

Aruna Mukherji: a.mukherji@tamimi.com

Mohammed Kawasmi: m.kawasmi@tamimi.com

Incorporating a JAFZ offshore?

Contact:

Panagiotis Dermatis: p.dermatis@tamimi.com

Omer Khan: o.khan@tamimi.com