



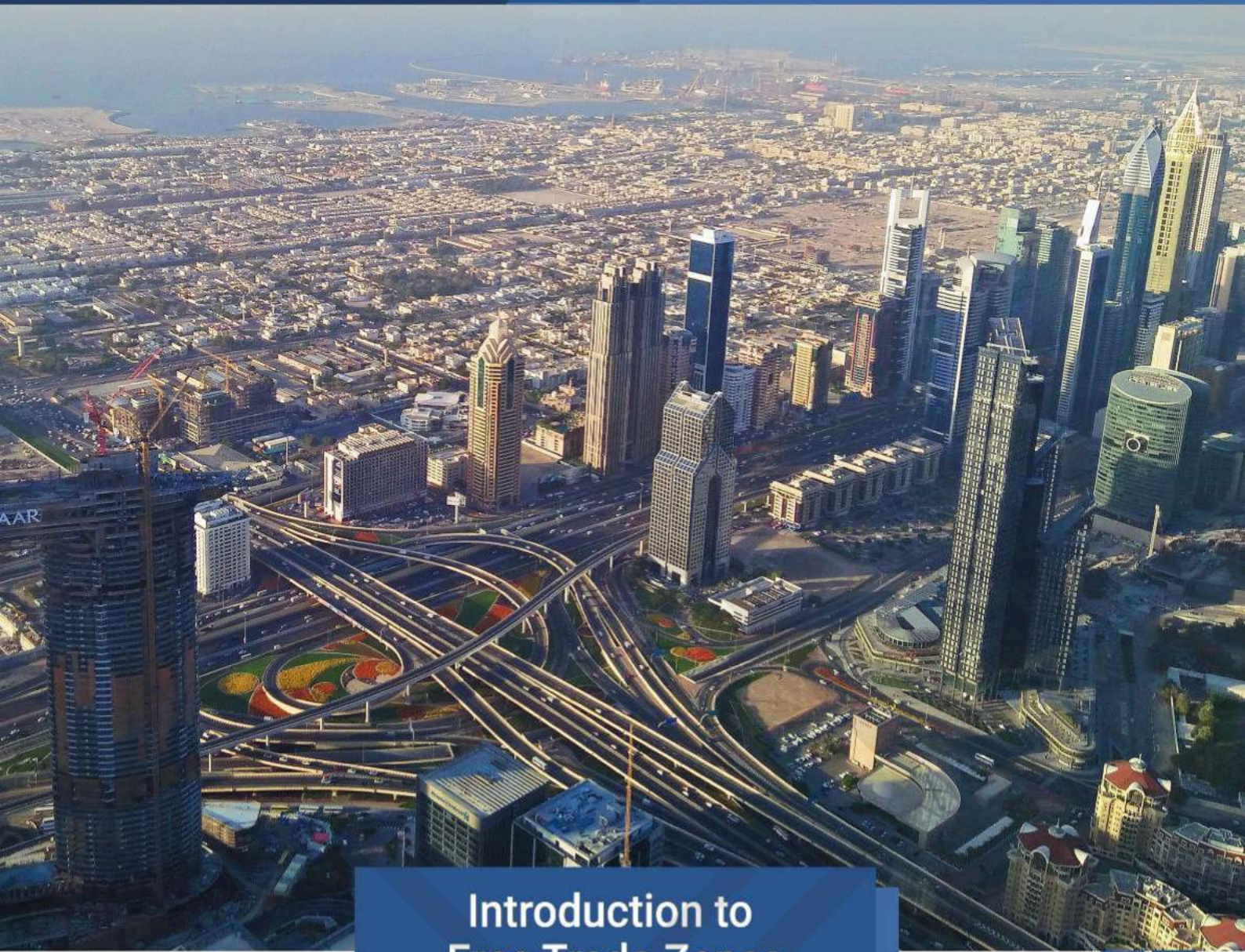
COMMITBIZ
Management Consultants

*A Guide to Setting Up A Business
in Ajman Free Zones*



INDEX PAGE

1. Introduction to Free Trade Zones
2. Free Trade Zones in the United Arab Emirates (UAE)
3. Ajman Free Zone
4. Different Free Zones in Ajman
 - Ajman Free Zone (Ajman Free Zone Authority)
 - Ajman Media City Free Zone
5. Company Liquidation in the Free Zones of Ajman
6. Why Setup a Business in Free Zones of Ajman?
7. Conclusion
8. How Can Commitbiz Help?
9. How Can We Benefit You?
10. Contact Details



Introduction to Free Trade Zones

A Free trade Zones (FTZ) also called by the names Free Zones (FZ), Free Economic Zones (FEZ), or Free Economic territories (FEts) are one or more areas of the country where tariffs & quotas are eliminated, and bureaucratic requirements are lowered to attract companies by floating the incentives for doing business there.

Free trade Zones are proved to be effective & useful means to develop new markets and to increase earnings from foreign trade. Most of the Free trade zones are located in developed and developing countries. They are special zones where typical trade barriers such as import or export tariffs do not apply; bureaucracy is typically minimized by outsourcing it to FTZ operators. Companies can seek sheltered areas best suited to their needs.



Free Trade Zones in the United Arab Emirates (UAE)

Free Zones in the Middle East, particularly the UAE, have come a long way in the last few decades, becoming liberal in terms of incentives and attracting diverse business sectors. Located along the Persian Gulf within the Middle East, the UAE has profited from a worldwide trade as a transshipment location between Asia and Europe. Besides, as the region lessens its dependence on oil exports, it is encouraging diversification into other industries.

A free zone company is not allowed to trade directly with the UAE market, and the free zone company can trade within the UAE only through locally appointed distributors. A customs duty of 5% is applicable when the free zone company sells in the local market, and employees with visas from free zone companies are expected to work only from the company's offices in that free zone. Regarding import licensing, inside the UAE, only firms with an appropriate trade license can engage in the importation, and only UAE registered businesses, which must have at least 51 percent ownership by a UAE national, can obtain such a license. This licensing provision does not apply to goods imported into free zones. Some goods for personal consumption do not require import licenses.



To date, the Free Zones in the UAE have been effective in attracting a large number of foreign investors and FDI. The share of the Free Zones in non-oil exports has amplified significantly along with the net exports from the Free Zones. The advantages offered by various Free Zones of the UAE include:

100%
Foreign Ownership
of Enterprise

Quick
Approval
Procedures

Extended
Leases

100%
Tax Exemption

Full Repatriation
of capital and
Profits

Abundant and
Inexpensive
Energy

An independent Free Zone Authority (FZA) oversees each free zone and is the agency accountable for issuing FTZ business licenses and assisting companies with establishing their business in the FTZ.



Ajman Free Zone



Ajman Free Zone, situated on the Arabian Gulf coast, is one of the oldest free zones in the UAE and was established in 1988. It is the smallest but one of the most developed free zones of the UAE. Ajman Free Zone was established and granted autonomous status by H.H. Sheikh Humaid Bin Rashid Al Nuaimi, the Ruler of Ajman, under Amiri Decree No. 3 of 1996. Ajman Free Zone has a strategic location, which gives it the advantage of serving both the western and the eastern markets.

Being the oldest free zone, Ajman has strengthened industry, trade, and financial sector in the UAE at its early stages. The free zone companies in Ajman have access to 4 seaports and two international airports, leading to the flourishing of business in the region. Today, the free zone has approximately 256 industrial firms, which constitute 20% of the total number of industrial units in the Emirates and ranks third among the Emirates. Goods from Ajman are exported to over 65 nations. With the contribution of more than 50 companies, Ajman Free Zone has become one of the most desirable directions in the UAE.

All the rules and provisions in the Ajman Free Zone Companies are passed and governed under the administration of the Ajman Free Zone Authority (AFZA). The entire Ajman Free Zone business setup process and issuance of the operating license to companies is controlled and handled by the Ajman Free Zone Authority.



Different Free Zones in Ajman

There are two major free zones in Ajman UAE, as explained below.



Ajman Free Zone (Ajman Free Zone Authority)

Ajman Free Zone was established in the year 1988 and is located near the cities of Dubai and Sharjah. Business formation in Ajman Free Zone sounds lucrative to small and medium-sized (SMEs) businesses as well as startups. The Ajman Free Zone Authority offers its companies low-cost, welcoming business regulations and plenty of affordable labor.

Advantages of Establishing a Business in Ajman Free Zone

The tactical and cost-effective location of this Ajman makes it attractive to investors around the world to invest in different sectors and also for the business community to start their new ventures. Ajman Free Zone companies enjoy the following benefits:



Commercial Benefits

- Companies in Ajman Free Zone enjoy total exemption from customs duty for goods and services
- Foreign companies can have 100% ownership
- Provision of 100% repatriation of capital and profits
- No red tape
- Liberal economic policies and legal framework
- Labor cost is low



Infrastructural Advantages

- Businesses enjoy land leasing for 20 years, renewable for another 20 years
- The energy supply is plentiful and cheap
- No concealed charges
- Ajman Free Zone has , smart offices, pre-built offices, and warehouses to facilitate companies



Environmental Benefits

- Ajman Free Zone Authority has set business-friendly laws for companies
- The process for setting up a business in Ajman Free Zone is easy and cost-efficient
- The immigration process is simplified and quick for workers
- AFZA has provided single-window clearance for multiple government services like licensing, immigration, visa services, etc.



Tax Benefits

- Corporate tax is fully exempted for companies
- Personal income tax is also exempted
- Total exemption even on import-export tax



Ajman Free Zone License Types

Ajman Free Zone Authority (AFZA) has four types of business licenses, which they issue according to the kind of business setup:



Commercial License

- Commercial license grants the capability to import, export, and distribute entertainment products throughout the UAE.



Service License

- Licenses are authorizing corporations to operate the services listed on the license contract clause.



Pioneers License

- The Pioneers' Package has been launched to empower youth and support professional independence. It is obtainable to those between 20 to 30 years of age, so it's ideal for under-graduates, postgraduates, young entrepreneurs, and startup companies.



Freelancer License

- Benefit from the most cost-effective license in all the Emirates for Freelancers that fall in one of the 40 categories provided by AFZA



Trading License

- Businesses who carry out trading activities in the free zone region are provided with a trading license. The business can add three activities in a single license issued by the Ajman Free Zone Authority.



E-Commerce License

- A business that wants to venture into eCommerce or start an online business can opt for an e-commerce license. It also provides marketing and technical support to investors.



Professional License

- All UAE or foreign companies that are keen to open their business in providing PRO services, such as management, IT, or marketing consultancy, in Ajman Free Zone must acquire a professional license to start their business.



Industrial License

- All businesses involved in the production of goods have to acquire an industrial license from Ajman Free Zone Authority to start their manufacturing plant in the free zone region. Ajman Free Zone Authority also offers warehouses and smart-store service for manufacturing companies.



National Industrial License

- This license is issued to companies that fulfill the following criteria:
- Should be registered in Ajman but operating in the free zone
- Should be registered with nationals of the Gulf Cooperation Council (GCC) owning at least 51% of the shares of the company
- A minimum of 40% of the manufacturing of the company should be completed within the free zone
- Businesses with a national industrial license enjoy duty-free exports to the member states of the Arab Gulf Cooperation Council (AGC).



Ajman Free Zone License Cost

Here is a list of the estimated cost of acquiring a business License in Ajman Free Zone:

License Type	Cost In AED	Cost in USD
One Activity Trading License	21,950	5,975
Two Activity Trading License	23,250	6,329
Three Activity Trading License	24,550	6,683
E-Commerce License	28,050	7,636
Professional License	24,550	6,683
General Trading License	27,150	7,391

Types of Business Entities in Ajman Free Zone Authority

Free Zone Entity

FZE is an entity formed and registered in Ajman Free Zone and regulated by the Free Zone Authority, in accordance with the Amiri Decree No. 3 of 1988 as amended by the Amiri Decree No. 3 of 1996. FZE enjoys a separate legal entity and is owned (100%) by either a person or a corporate body. Such an entity must have a capital equivalent to US \$ 50,000. The liability of the owner is limited to the amount of the share capital.

Free Zone Company (FZC)

Licenses under this category are issued to Free Zone Companies incorporated within the Free Zone in accordance with the Amiri Decree. Such a company enjoys a separate legal identity and the liability of its owner is limited to the value of the paid up share capital.

Branch of a Local Company (BLC)

Licenses under this category are issued to companies holding a valid license from any UAE licensing authority except from other Free Zones.





Business Setup Process in Ajman Free Zone Authority



Ajman free zone is one of the most iconic destinations for setting up your business, which provides all the requirements for your business. But before setting up your business, you need to make individual decisions like deciding the company name, deciding the type of business, the kind of license which needs to be acquired, drafting the necessary documents, and, most of all, your business location in the free zone region.

Steps to Be Followed for Ajman Free Zone Company Formation

01

Firstly, the applicant needs to get all the necessary documents and approvals by submitting all the requisite documents to the Ajman Free Zone Authority

02

After this, the applicant needs to apply for the registration process and the visa process

03

Then the next step would be deciding on the legal entity that the owner wants to establish. There are four types of legal entities: Free Zone Establishment (FZE), Free Zone Limited Liability Company (FZ LLC), Branch of a Foreign Company, and Branch of a Local Company

04

Decide the company name and the nature of the business to acquire a license from the Ajman Free Zone Authority



Ajman Media City Free Zone

Ajman Media City Free Zone is the newly formed free zone offering dependable, harmonious, and a professional environment for the businesses. It was set up in the year 2018, and due to its low-cost packages, it immediately became one of the bestsellers among the free zones in the UAE. Ajman Media Freezone announced a wide range of cost-effective license packages for new investors. The most attractive feature of this freezone is the perfect list of deliverables after registration of the freezone company. The owner of companies is issued with almost ten documents upon the formation of a freezone company in Ajman.

Features of Ajman Media City Free Zone

Low-cost business setup

Presence of a client is not required

A license issued within 24 hours

Multiple business activities in one license

Setting up a business without any visa issues

Share Certificate for both FZC and FZE

Chamber of Commerce Certificate

Introduction letter to the bank

Lease agreement and commercial register

Memorandum of Incorporation if it's an FZE and Memorandum and Articles of Incorporation if it's an FZC



Advantages of Business Setup in Ajman Media City Free Zone



Business Activities Allowed in Ajman Media City Free Zone



Freedom to recruit expatriates

Low operational cost

Abundant and inexpensive energy

Free transfer of funds and no foreign exchange control

Freehold offices on sale or lease

Readymade offices, warehouse, and factories

Duty-free

Free zone tax benefits

New media – photography, web design, digital media, etc

Music – recording, production, management, etc

Film – production, post-production, scoring, promotion, etc.

Consultancy – from legal and HR to investment and business consultancy

Publishing – books, magazines, newspapers, online, and more

Event management – conference organization, theatre management, sports management, etc



Business Entities and Documents Required to Start a Company in AMC FZ



01 One owner Company (FZE)

FZE is an entity formed and registered in Ajman media city free zone with single shareholder

- Application form
- Passport copy of the owner
- Two passport size color photo with white background
- Three company name options
- Capital with maximum AED 100,000

02 Multiple Owner Free Zone Company (FZC)

Licenses under this category are issued to Free Zone Companies with more than one shareholder

- Application form
- Passport copy of the partners
- Two passport size color photo of each partner
- Clients decided capital with maximum AED 100,000

03 Branch of a Foreign Company

- Application form
- Certificate of Incorporation of the parent company
- Memorandum and Articles of Association of the parent company
- Board Resolution detailing the formation of the branch or the subsidiary nominating authorized manager
- Passport copy of six months validity of the representative or the manager of the company
- Two-color photos of the manager
- No capital requirement



04

A Subsidiary of a Foreign Company

- Application form
- Certificate of Incorporation of the parent company
- Memorandum and Articles of Association of the parent company
- Board Resolution detailing the formation of the branch or the subsidiary nominating authorized manager
- Passport copy of six months validity of the representative or the manager of the company
- Two-color photos of the manager

05

Branch of a UAE Company

- Application form
- Passport copy of the representative or the manager of the company
- Two-color photos of the manager
- Original license
- Original Chamber of Commerce Certificate
- Original Commercial Registration
- Board Resolution detailing the incorporation of the branch along with nominating authorized manager
- No capital requirement

Business Licenses in Ajman Media City Free Zone

Service License

Allows production, re-production, transformation, and distribution of services.

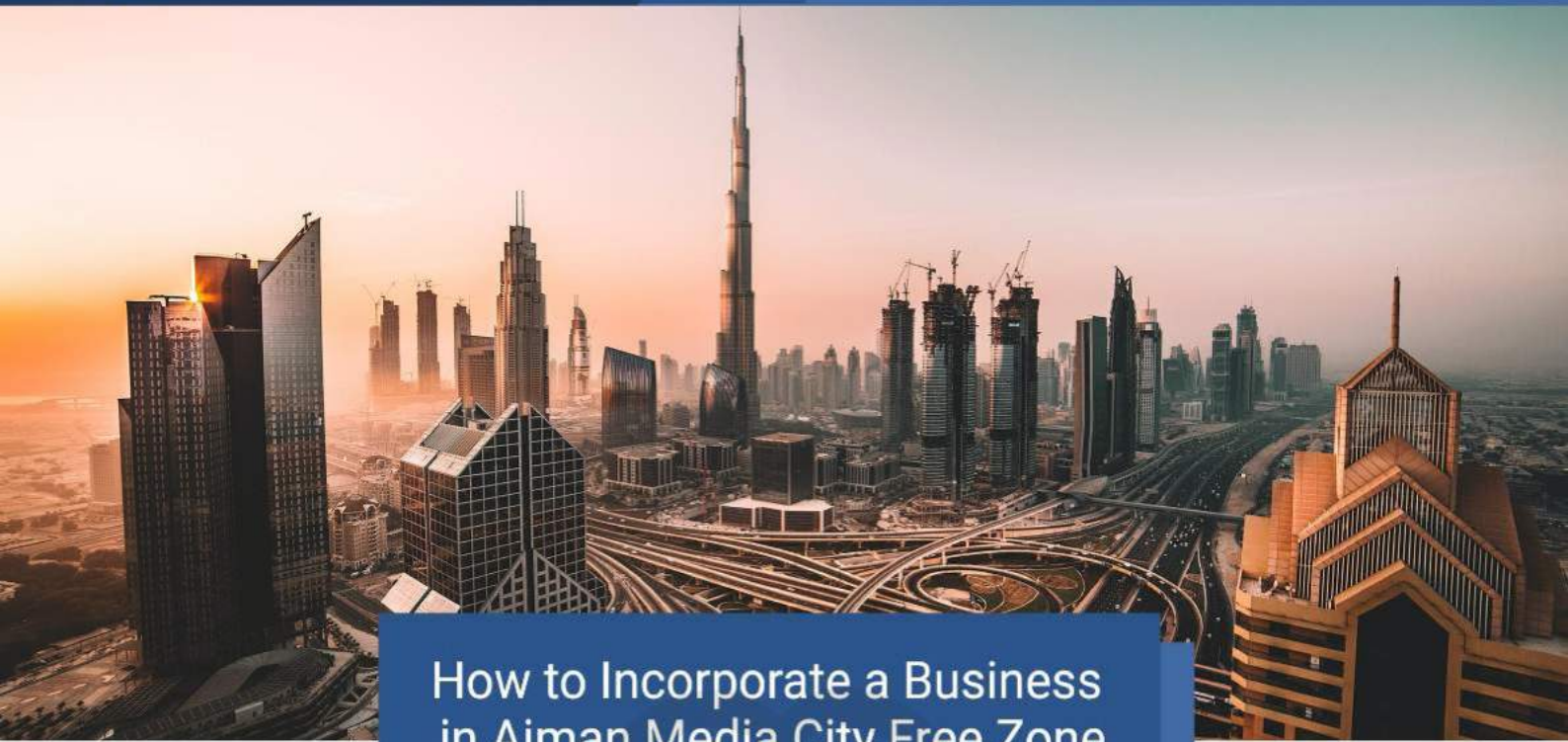
Trading License

Authorises the import, export, distribution, and storing of items specified on the license.

E-commerce License

Allows the license holder to conduct all manner of online trading and services.





How to Incorporate a Business in Ajman Media City Free Zone

- The Ajman free zone company setup includes steps like -
- The applicant must apply and make payment for license and immigration card and E-Channel (if applicable)
- Get a scanned copy of the below-mentioned documents and start the incorporation process
 - a. Business License Details
 - b. Share Certificate
 - c. Commercial Register
 - d. Certificate of Incorporation
 - e. Memorandum (if applicable)
 - f. Lease Agreement (if applicable)
 - g. Certificate of Good Standing
 - h. Certificate of Incumbency
- Organize a meeting with a banker armed with the original company documents, passport, bank introduction letter, and company stamp. A dedicated phone number is activated, and the details are provided to the applicant by the business center along with more information about the address.
- Pre-approval is allowed. Company Immigration Card application will be submitted to immigration for processing
- A Company Immigration Card is issued. The applicant may now complete the necessary government fees for the E-Channel registration
- Make the license application providing the necessary documents following the corporate entity of choice
- Apply for a visa



Different Packages for Business Formation in AMC FZ

There are five Ajman Media City packages to choose from:



01 Business Club

The Business Club package provides a shared workspace with no visa eligibility. Additionally, it provides -

- Commercial Activities - up to 5 related activities mainly for export and import
- Service Activities - up to 5 related activities mostly for service providers
- A mix of commercial and services

02 Bronze package

The Bronze package contains shared permanent desk space in the free zone's state-of-the-art infrastructure. Companies are also eligible to apply for one visa. Additionally, it offers -

- Commercial Activities - up to 5 related activities mainly for export and import
- Service Activities - up to 5 related activities mostly for service providers
- A mix of commercial and services

03 Platinum Package

The Platinum package is obtainable on request for businesses that require large office premises and more than five visas.

Silver Package

04

The Silver package includes a shared permanent office within AMC FZ along with eligibility for up to two visas. Additionally, it offers -

- Commercial Activities - up to 5 related activities mainly for export and import
- Service Activities - up to 5 related activities mostly for service providers
- A mix of commercial and services

Gold Package

05

The Gold package comprises a permanent executive office as well as eligibility for up to five visas. Additionally, it offers -

- Commercial Activities - up to 5 related activities mainly for export and import
- Service Activities - up to 5 related activities mostly for service providers
- A mix of commercial and services
- Companies formed in the Executive Office

SMI Package

06

This package is appropriate for a single influencer account. Few of its features include -

- Client presence is not required
- The documents must be signed and returned electronically along with the fees



Company Liquidation in the Free Zones of Ajman

Company closure in Ajman Free Zone is preferably a low cost and easy to perform.

The business person must get a few clearances first:

- From the bank that the account is closed
- From Department of Maintenance of Ajman if you rented a facility
- They also have to close all resident visas in the company before its cancellation.
- Liquidation can be done by the proprietor or their representative holding a Power of Attorney. All original company documents need to be given back to the Ajman free zone. If the owner loses them, they need to go to Police and get a report about that.
- The liquidation takes about one month, after which you receive an official deregistration letter.
- If any deposits were made under the company, the owner would get a refund after the liquidation is finished.

Why Setup a Business in Free Zones of Ajman?

Both the free zones of Ajman offer cutting edge critical components. Ajman free zone company formation provides -

- Low-cost energy
- The most economical wage structure and easy access to vast workforce
- Complete exemption from all export and import duties
- Total elimination of all service charges and hidden fees
- Meager handling charges
- This 20 years land contract is renewable for another 20 years guaranteeing 40 years tax and customs-free operations
- Low lease prices
- World-class infrastructure
- Lowest tariffs in the region



Conclusion

Ajman Free Zone is among the most cost-effective and developed free zones in the United Arab Emirates. So, without a doubt, it serves as the best location for business setup in the UAE. Hassle-free and efficiency are major factors that make Ajman Free Zone a popular destination for entrepreneurs. Apart from this, the cost-effectiveness and its strategic location make Ajman attractive for its investors.

How Can Commitbiz Help?

Commitbiz Management Consultants help you with strategic business inputs, handle all the legal documentation, and give complete business advisory solutions to ensure hassle-free business incorporation.

Our professional experts are well-versed with the incorporation procedures and maintain a vision to accelerate your Ajman Free Zone business setup and the rest of the UAE.

Commitbiz was established in 2007 with a vision to provide world-class management advisory services to enterprises in the private, government, non-government and academic sectors. Over the years, we have developed comprehensive capabilities in several functional and specialty segments. We have emerged as the chosen partner in several innovative and path-breaking initiatives undertaken by various businessmen across the world. With over 50 team members and 2,000+ clients, we are now one of the top business consulting firms in the UAE.

14+ Years of Experience

50+ Members

5000+ Clients

How Can We Benefit You?

Standing as one of the top business consultants in the UAE, we assist you in the following processes:

- Help you establish the business pillars post-incorporation process like accounting, taxation, etc.
- Strategies to accelerate your business growth.
- Streamline your business activities.
- Comply with the legal rules and regulations.
- Provide tailored business solutions.
- If you are planning to step ahead and set up your company in the Ajman, UAE, do contact us today—we'd be glad to assist.



Contact Us

Dubai	Abu Dhabi	Sharjah
<p>Commitbiz Management Consultants, Dubai</p> <p>10th floor Dubai World Trade Center Sheikh Zayed Road P.O. Box 293816 Dubai United Arab Emirates</p> <p>Phone: +971 4 3867444 Fax: +971 4 3867474 Mob: +971 56 5927847 info@commitbiz.com</p>	<p>Commitbiz Management Consultants, Abu Dhabi</p> <p>#5, Suite no. 201 Level 2 P.O. Box 26389 Land Mark Plaza Building Next to Al Salama Hospital Hamdan Street Abu Dhabi United Arab Emirates</p> <p>Phone: +971 2 6434601 Fax: +971 2 6434603 Mob: +971 55 7548296 info@commitbiz.com</p>	<p>Commitbiz Management Consultants, Sharjah</p> <p>#05, Level 1 AM Building Rolla Squire, Rolla Street P.O. Box 120922 Sharjah United Arab Emirates</p> <p>Phone: +971 6 5527902 Mob: +971 52 1056207 info@commitbiz.com</p>
Bahrain	London	
<p>Commitbiz Management Consultants Bahrain</p> <p>Ground Floor AS Gate Building Hawar Hwy Kingdom of Bahrain P.O.Box: 37100</p> <p>Phone: +973-77110288 Fax: +973-77110388 info@commitbiz.com</p>	<p>Commitbiz Management Consultants London</p> <p>Level 17, Dashwood House 69 Old Broad Street, London EC2M 1QS United Kingdom info@commitbiz.com</p>	



**The contents of this document are for information only and are intended to provide a brief introduction as to the potential opportunities that may be available in the location. The information contained in this document is general by its nature and not tailored nor specific to individual requirements.