



COMMITBIZ
Management Consultants

*A Guide to Setting Up a Business
in Ajman*



Index Page

1. Introduction

2. Overview

3. Legal and Regulatory Framework

4. Court Systems

5. Why is Ajman the Best Business Hub?

- Yearly Compulsory Audit Not Required
- Easy Renting of Offices
- No Currency Restrictions
- Easy to Conduct Business
- No Requirement of Large Capital
- Wide Range of Activities to Partake in
- Easy to procure VISA
- Fewer Taxes Are Applicable to a Company
- The Availability of Free Zone

6. The Business Climate of Ajman

- Factors Favouring the Business and Investment Environment

7. Booming Industries and the Best Options for Entrepreneur

- Manufacturing Sector
- Fishing Sector
- Real Estate
- Agriculture Sector
- Tourism Sector
- Logistic and Transport Sector

8. Ajman Facts and Figures

9. Legal Business Structure of Commercial Companies

- Mainland
- Free Zone
- Offshore Company

10. Documents Required for the Setup Process

11. Business Setup Locations and Options for Businessmen

12. Advantages of setting up a company in Ajman

13. Steps to be Taken after Incorporation of a Company

14. Free Zone in Ajman

15. Future of Ajman

16. Conclusion

17. Contact Us



Introduction

The Emirate of Ajman is one of the seven emirates in the United Arab Emirates and with the area of 260 square kilometres (100 sq. mi) it is the smallest Emirate in the United Arab Emirates. The population in Ajman is over 5 lakh people. Approximately 95% of the population of the Emirate resides in the city of Ajman, which is also the capital of the Emirate.

The Emirate is located on the coast of the Persian Gulf and also is in control of two inland exclaves, namely Masfout and Manama. Both of these exclaves have mostly consisted of agricultural land. Ajman is ruled by Sheikh Humaid bin Rashid Al Nuaimi III.

Overview

The economy of Ajman is mostly dominated by five industrial sectors, namely manufacturing, wholesale and retail, construction, real estate and business services and transport. Ajman is also a haven to famous businesses and other business concerns such as Al Haramain Perfumes, Amtek Industries and Gulf Medical University. The investments in Ajman are gradually growing, and so is the economy of the Emirate, which makes it a very lucrative place for setting up a business.

The economy of the Emirate grew by almost 5 per cent from the year 2012 to 2013, (AED 15,690 to AED 16,441) according to the Ajman Annual Economic Report 2014. There was substantial growth in the various economic sectors such as real estate, construction, business services and financial corporation sector.

Though it is a tiny emirate in comparison, the Ajman Port and the Ajman Free Zone play a very important role in the development of the economy of Ajman. The Ajman Port and the Ajman Free Zone are two of the major contributors to the economy of the Emirate. These two locations help in exporting goods to over 65 countries and comprise of about 20% of the UAE's industrial units. The Ajman Port and the Ajman Free Zone help the Emirate to create a niche for itself in the market. They play a very vital role in the movement of goods and resources to and from the Emirate.



Legal and Regulatory Framework

With an increase in the inflow of various businesses and numerous multinational companies, there is a great need for the Emirate to be vigilant and keep making new laws and amendments to the regulations of the emirate. Even a minor flaw or loophole in the legal and regulatory system will result in a lesser number of international businesses coming to Ajman to set up their Business. The Emirate of Ajman has very robust and flexible laws which assist the international companies to come in and set-up their Business.

Though the seven Emirates of the United Arab Emirates are subject to the federal law, they also have the power to govern themselves and administer internal control over the residents and the businesses in the Emirate of Ajman. This means that upon need, the Administration of the Ajman Emirate can devise its own laws and regulations.

The laws and the regulations prevalent in the emirates are based mostly on the Sharia Law and also have some principles of Civil Law in them. The principles of the laws in the UAE are also heavily influenced by Egyptian laws and Regulations. In the last couple of decades, there have been a lot of amendments, and many new laws and regulations have been seen in the United Arab Emirates. This is because the country wants to cater to all the types of multinational companies that come to the country.

The Federal Laws of the country deal with many principles such as intellectual laws, maritime laws, industrial laws, numerous civil and commercial processes and procedures and many other laws and regulations of the Emirate. In this changing business environment, if the legal and regulatory features of the Emirate are not flexible, there may be a problem in the inflow of companies coming in to set up a business.



Court Systems

There are three different types of courts which are present in Ajman:

1. Court of First Instance

This is the first type of Court which is easily accessible to all companies and people alike. This Court has the jurisdiction to listen to cases related to all kinds of laws such as civil claims, commercial claims, administrative claims, and various other personal lawsuits. This Court is also held responsible for the enforcement of the execution deeds or executions by any matter such as depositions of references.

2. Court of Appeal

This is the second layer of courts which a litigant can apply to before moving to a higher court but after getting a verdict from the Court of the first instance. The only people who can apply to this Court are the people who have been convicted by the Court of the first instance. Anyone can apply to this Court as soon as they receive a verdict from the previous Court or the law allows them to apply to a higher court. If the specified time limits are not paid attention to, it may result in the extinguishment of the right of appeal.

3. Court of Cassation

This is a higher judicial body available to the various entities to try out the various cases which have been supervised by the previous courts. The appeal must be filed within 60 days of the judgement given by the Court of Appeals. They also need to take care that the value claimed in action should exceed AED 200000 or any more than that. In case the value of the action cannot be evaluated, the Court of Cassation comes into use.

There is also a labour court which deals with mostly the disagreements between the employees and the employers. It also has a Property court which deals with property disputes exclusively. There is no need for a jury in a court in the United Arab Emirates. Also, there is no concept of a precedent in the UAE. Some of the judgements of the higher courts may be published, but these are not binding to the lower courts. The language in which the courts are conducted in Arabic. Thus it is necessary for the advocate not only to be licensed to practise Law in Ajman but to be also conversant in Arabic.



Why is Ajman considered as a Business Hub?

There has been a considerable growth in the number of businesses that have been coming to Ajman. The establishment and the development of the Ajman Port and the Ajman Free Zone provides a very big and lucrative opportunity for foreign expats to set up a business in the emirate. The Strategic location of the country plays a very vital role in attracting various multinational companies.

There is one more reason which attracts foreign businessmen and entrepreneurs. The reason for it is that the Emirate is not that well known to people. When we talk about setting up a business in the United Arab Emirates, we usually think of a business in Dubai or Abu Dhabi. As the benefits of setting up a business in Ajman are not well understood by the people, it becomes a place which remains to be discovered by the expats and also the prices for land in the Emirate are comparatively lower in Ajman than Dubai or Abu Dhabi.

The various other benefits of setting up Business in the Emirate of Ajman are:

1. Yearly Compulsory Audit Not Required

A company set up in Mainland Ajman has no requirement of a compulsory annual audit of the company. This means that it is not necessary for a company to spend on the Bookkeeping and Accounting of the company, but even though a yearly audit is not necessary, the company may voluntarily opt for an audit in Ajman.

2. Easy Renting of Offices

In the Mainland or in the Free Zone, the foreign entity can set up a company anywhere. Before setting up a business, the business owner needs to understand which location will help him the most and then take decisions accordingly. Having no restrictions for setting up a company will allow the Business to take advantage of the opportunity and make the maximum of it.



3. No Currency Restrictions

There is no type of restriction imposed on the inflow or outflow of any type of currency. The Government also has no restriction on the usage of currency of any country.

4. Easy to Conduct Business

It is very easy for a company, whether foreign or local, to conduct Business as Ajman provides hassle-free trading both in the local markets and the overseas market. The size of the company is not a factor in such decisions. This allows the company to increase the customer base and further allows them to increase their profits.

5. No Requirement of Large Capital

The capital is a sum of money or funds which the partner or the sole owner brings in which will help to set up the Business. In the Emirate of Ajman, the Government helps you to set up the Business so that not much of a starting capital is required when starting a business.

6. Wide Range of Activities to Partake in

There are many business activities to choose from in Ajman. The only exceptions to the business activities are banking, insurance and investment, but all the rest of the business activities are allowed in Ajman. This is not the case in other emirates as there are restrictions on certain kinds of business activities.

7. Easy to procure VISA

A company is a set-up with the aim of growing and expanding bigger. As the company expands, there is more and more work to be done which requires more and more employees. In Ajman, a company can apply for more and more VISA as it continues to grow. This allows for more number of foreign employees with an increase in the size of the company.



8. Fewer Taxes Are Applicable to a Company

There is no personal income tax or any corporate tax levied on the company, especially in the Free Zones (We will be talking about the free zones in the next point). The only tax that the companies need to familiarize themselves is the newly introduced Value Added Tax.

9. The Availability of Free Zone

Ajman free zone is currently the only free trade zone in the Emirate of Ajman, and it allows offshore companies set-up and offers help in various other business activities. It is a major contributor to the development of the economy of Ajman. With the availability of world-class business services and infrastructure and also the strategic location of the Emirate, it acts as the place to be for the businessmen and entrepreneurs all over the world.

The Business Climate of Ajman

Ajman covers about 259 square km stretch of land which makes it the smallest Emirate in the United Arab Emirates in terms of occupying the land area. It also occupies a stretch of land between Sharjah and Umm al Quwain. The Emirate of Ajman has various features, both business features and natural features which make it a very crucial place for setting up a business.

The Emirate of Ajman is very close to the Emirate of Dubai and Abu Dhabi. This means that the fate of the smallest Emirate is tangled with the activities that are performed in these two emirates. In the recent booming years, Ajman was considered as an affordable alternative to Dubai or Sharjah. This allowed foreign expats to set up their Business with even fewer funds in the UAE.

There was a huge increase in the past decade in the property and real estate market in Ajman as the property developers were advertising Ajman as the reasonably priced substitute of the other emirates such as Sharjah, Dubai or Abu Dhabi. In recent times, the border between the Sharjah region and the Ajman region is barely discernible.



Traditionally, Ajman was more known for its fishing and shipbuilding businesses. The long coastline of the Emirate was mostly used, and small cities were located on these coastlines. With the establishment of the Ajman Free Zone in the year 1988, More and more manufacturing activities are being taken up. More than 15% of all the manufacturing firms of the UAE are located in the Emirate of Ajman. In certain parts of the Emirate of Ajman, there are power shortages, and the company may have to use generators to provide power to the machines, but this problem is being handled by the Government.

There may be a problem with the power and infrastructure of Ajman in the past, but no more. With the various advantages and incentives, the emirate offers to both the local and the foreign businessmen and entrepreneurs, and this Emirate has gradually become the place to be if a person is interested in setting up a business in the United Arab Emirates. The close proximity to Dubai and Sharjah, easy access to sea and airports, world-class infrastructure and services along with the business support that the Ajman government offers is the reason that setting up a business in the Emirate of Ajman is considered to be a highly lucrative investment.

Factors Favouring the Business and Investment Climate

In recent years that have gone by, the Government of the United Arab Emirates has gradually tried to become more Business-friendly and has tried to welcome all foreign businesses with open arms. With the plans to expand the economy of the country and not depend only on the revenue from the oil and hydrocarbon sector, The United Arab Emirates, is taking steps to expand and evolve its economy.

In recent years that have gone by, the Government of the United Arab Emirates has gradually tried to become more Business-friendly and has tried to welcome all foreign businesses with open arms. With the plans to expand the economy of the country and not depend only on the revenue from the oil and hydrocarbon sector, The United Arab Emirates, is taking steps to expand and evolve its economy.



Factors Favouring the Business and Investment Climate

In recent years that have gone by, the Government of the United Arab Emirates has gradually tried to become more Business-friendly and has tried to welcome all foreign businesses with open arms. With the plans to expand the economy of the country and not depend only on the revenue from the oil and hydrocarbon sector, The United Arab Emirates, is taking steps to expand and evolve its economy.

UAE is the 30th largest economy in the world 2nd most significant in the MENA region. In 2018, the United Arab Emirates was ranked 11 in the Ease to Conduct Business Report by the World Bank. This is evident by the fact that many of the fortune 500 companies have their offices in Dubai. This also includes the top 10 companies in the list of the Forbes 500 companies.

The Emirate of Ajman possesses unique characteristics which make it a very important attraction for businessmen and entrepreneurs all over the world. The main reasons which make the Emirate of Ajman such a crucial place to be are given below:

1. Ajman Free Zone

The Ajman Free Zone is a big reason for the increase in the inflow of companies coming to set up a business in the Emirate of Ajman. A free zone is a geographical location which provides its own sets of benefits and incentives and also has its own governance in the area. Such free zones are crucial for the growth of a company as they provide numerous advantages. Ajman not only has a free zone but a seaport nearby which is a big help while forming a company.

2. Ajman Vision 2021

Ajman Vision 2021 is a step that the Government of the Emirate of Ajman is taking, and this long term vision is also a part of the greater vision of the United Arab Emirates. Apart from the UAE Vision 2021, it will also be a part of the National Agenda and the Spirit of the Union. The Ajman Vision 2021 focuses on building a happy society which will contribute more to the society and will also help in building a green, clean and diversified economy. This vision aims to find out new and innovative ways of development of the economy and will also take care of the sustainable development of the economy.

3. Large scale Digitization of the Economy

The Emirate of Ajman has taken up to digitize its economy, which will be a step towards fulfilling the Ajman Vision 2021. The Ajman Digital Government has developed a 5-year Digital Transformation Plan with a clear roadmap targeting to achieve the following five objectives:

- » Digital Transformation of 100% of Government Services by 2018
- » Digital Transformation of 30 Government Services every 100 Business Days
- » Digital Transformation for all shared government Services by 2018
- » 80% Adoption of Digital Services by 2018
- » Increasing the efficiency of Government spending by 20% by the end

The Government of Ajman is striving to provide exceptional customer services to the Business, along with new and innovative technologies. The Government is also trying to provide a paperless and integrated business environment.

4. Diversification of the Economy

In the past, the United Arab Emirates has been relying heavily on the revenue from the oil and gas sector of the country, but gradually it has realized that the economy of the country cannot only depend on a single source of income. It has welcomed foreign businesses with open arms and has taken various steps to help set up foreign businesses in the United Arab Emirates. This has resulted in an increase in the number of companies coming into the country to set up roots. In the present day, the non-oil sectors of the country contribute nearly 50 % of the Gross Domestic Product of the country.

5. Opportunities provided by the Real Estate in Ajman

The property marketers have considered Ajman as the inexpensive alternative to bigger emirates such as Abu Dhabi, Dubai or Sharjah. In recent years, there has been a slump in the property markets in the United Arab Emirates, but this slump has not affected the prices of real estate in Ajman. His situation allows even smaller businesses to have their own piece of land in Ajman so that there is no hindrance to the Business.



6. Virtually No Tax

There is almost no tax levied on an individual or corporate body. With no income tax or corporate tax, a company can be more profitable and can devote most of its resources to the expansion of the Business.

In January 1st 2018, UAE implemented Value Added Tax or VAT to provide a separate and continuous source of revenue for the UAE government. The income from the VAT will be utilized in the development of the infrastructure of the country and for the betterment of the people of UAE.

7. Stable Business and Political Environment

The business environment in the UAE is very stable, which helps the Business to grow and expand further. UAE is considered as the model of political stability. This is because, since the formation of the country in the year 1971, UAE is a constitutional monarchy and a very successful one at it. UAE also has the lowest level of crime rates in the world which gives credence to the fact that UAE has a powerful legal framework and provides excellent security to its people.

8. Possibility of Growth of the Company

The Government of the United Arab Emirates is taking up steps to stay ahead of the game and aims to provide a flexible and dynamic business environment to the entrepreneurs interested in setting up a business. Be it trying to double the number of tourists in the country by the year 2020 or the Vision 2021.

Ajman is also fast emerging as a tourist destination with an increased number of hotels and a host of new developments of amusement parks and the likes. The rapid retail expansion and the newfound interest of the people in the indoor and outdoor activities are further adding prominence to the position of Ajman.

All of the above factors play a crucial role in attracting businessmen and entrepreneurs from all around the world.



Booming Industries and the Best options for the Entrepreneurs

In the past, the Emirate of Ajman mostly consisted of shipping villages located at the coast of the Emirate, but with the development of the Ajman Port and the establishment of the Ajman Free Zone all has changed. Though fishing and agriculture play a major part in the development of the economy, most of the revenue of the Emirate is generated through manufacturing industries. There has also been a significant increase in the number of businesses coming to the Emirate.

Some of the major industries which provide revenue to the Emirate of Ajman are:

1. Manufacturing Sector

The Emirate of Ajman was mostly dominated by the fishing and agricultural sector in the past. Now, most of the revenue of the Emirate comes from the manufacturing sector. Ajman is also the home for many multinational corporations which comprise of a number of companies in the Forbes 500 list.

2. Fishing Sector

It has been one of the major sources of revenue for the local people in the past. Now though fishing is not in the forefront for bringing in revenue any more, it is still a source which is majorly followed. This is mostly due to the long coastline of the Emirate.

3. Real Estate

There has been a significant boom in the real estate and construction sector in the Emirate of Ajman. Ajman is considered as the inexpensive alternative of Dubai or Sharjah, which makes it very important for small businesses to plant their feet in the market. The real estate sector also plays a very impor-

4. Agriculture Sector

This may be obsolete, especially in front of the manufacturing sector; it is one of the most basic of sectors that every country requires. Ajman has not caught up to the hype and is a comparatively quiet place making it a very crucial location for such a sector.



5. Tourism Sector

In the last couple of decades, the Emirate has seen a significant increase in the travel and tourism industry. This has been fuelled by the betterment in the infrastructure in the Emirate as well as the new shopping destinations in Ajman. The various amusement parks also play a vital role in attracting people from all over the world. Ajman may be the smallest of the emirate, but it is a wholesome location for businesses, tourists and individuals alike.

6. Logistic and Transport Sector

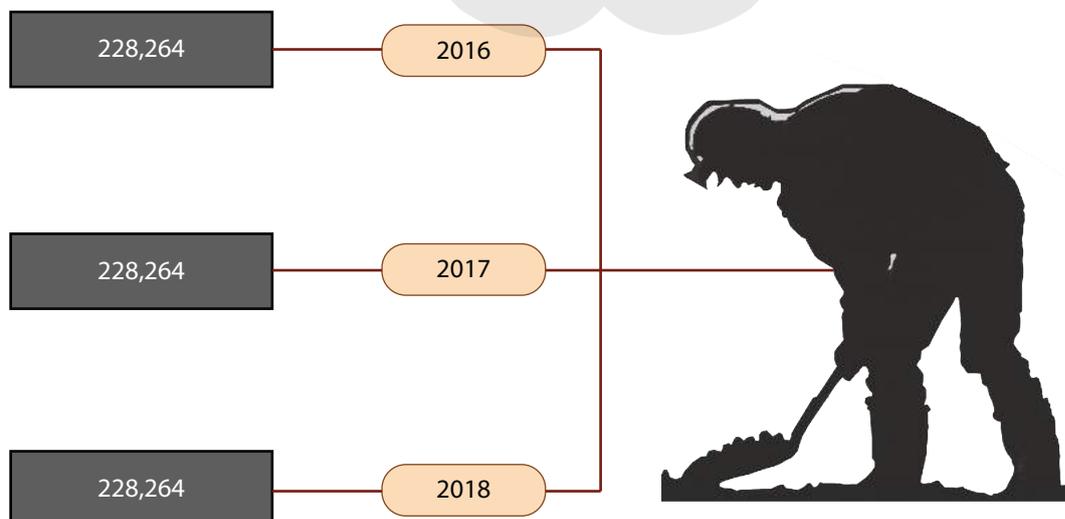
The strategic location of the United Arab Emirates makes it one of the best place to set up a logistic or transport business. Ajman is easily accessible via land, sea or air. This means whether it is transportation or transporting of goods or raw material, Ajman can handle it all.

Ajman Facts and Figures

Employees Registered in the Ministry of Human Resources and Emiratization in the emirate of Ajman during the years, 2016-2018

Total employees	Years
2,28,264	2016
2,40,829	2017
2,34,972	2018

Source: Ministry of Human Resources & Emiratization





Employees Registered in the Ministry of Human Resources and Emiratization in the emirate of Ajman during the years, 2016-2018

Departments	Total	Female	Male
Executive Council	56	38	18
Municipality & Planning Department	683	261	422
Department of Land and Real Estate Regulation	82	39	43
Department of Tourism Development	83	43	40
Central Human Resources	21	13	8
Ajman Digital Government	24	12	12
Department of Economic Development	155	74	81
Ajman Port & Customs	103	30	73
Ajman Police General Headquarters	1219	167	1052
Department of Finance	75	27	48
Financial Audit Authority	35	15	20

Source: General Human Resources

Note: Ajman Police General Command data for local staff only

Employees Registered in the Ministry of Human Resources and Emiratization in the emirate of Ajman during the years, 2016-2018

Areas	Percent	Numbers
Ajman	94%	45,689
Manama	2%	905
Masfout	3%	1670
Unspecified	1%	535
Total	100%	48,799

Source: Department of Economic Development

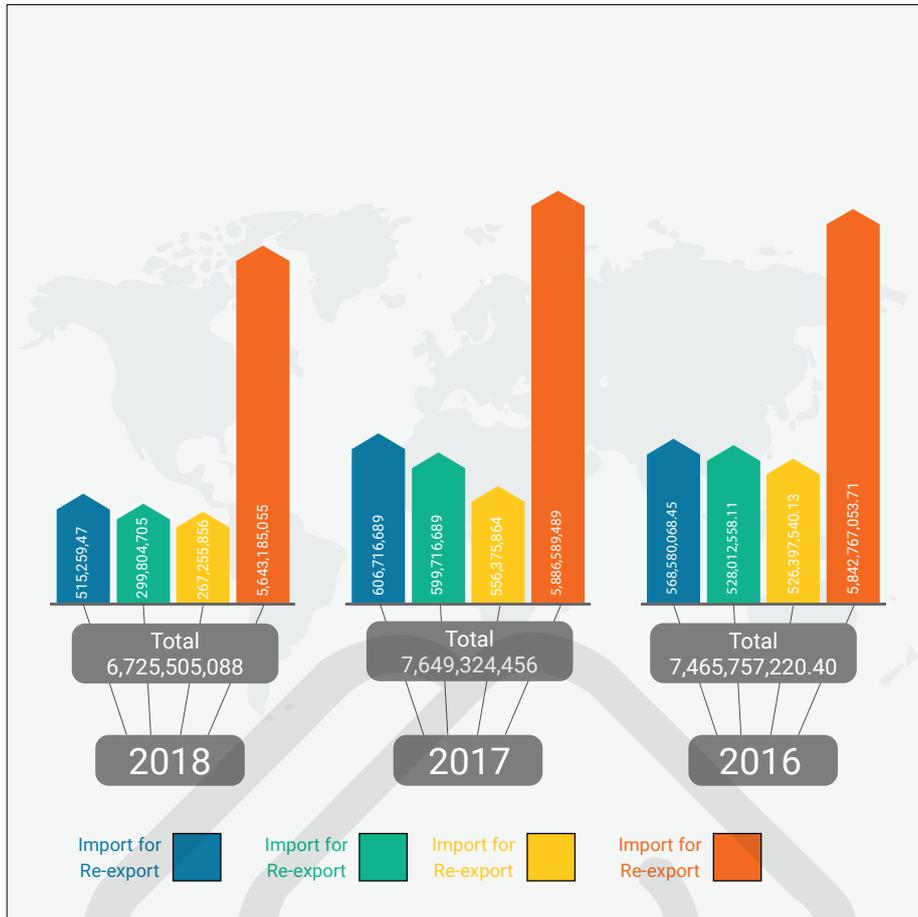
Employees Registered in the Ministry of Human Resources and Emiratization in the emirate of Ajman during the years, 2016-2018

Months	2018	2017
January	646	678
February	619	653
March	657	749
April	667	665
May	710	872
June	491	622
July	542	660
August	452	669
September	578	617
October	462	783
November	465	729
December	353	704
Total	6642	8401

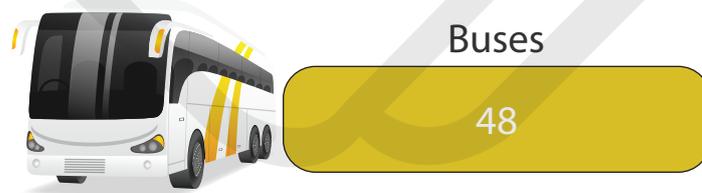
Source: Ajman Free Zone Authority



Trade Value Comparison in CIF (AED) during, 2016 - 2018



Public Transport buses by passengers trips and lines in the emirate of Ajman in, 2018



Passengers

3,860,334



Lines

12



Legal Business Structure of Commercial Companies

There are a number of legal business structures available to a business entity if it wants to set up a business in Ajman. It should be taken care that only that business structure should be chosen which will help enhance the profitability of the company. A business entity can set up its Business either in the Mainland or in the Free Zone.

The various types of companies available to a business entity are given below:

1. Company Set-up in Mainland

» *Limited Liability Company (LLC)*

This is one of the most common types of company which is set-up in Dubai. The number of shareholders in an LLC can range from 2 to 50, and all the liability of the shareholder is limited to the total share capital brought in by the shareholder. The range of activities which can be conducted by an LLC is extensive. An LLC can be made for any business activity except Banking, Insurance or any Money Investment.

In order to set-up an LLC in Ajman, an expatriate requires the assistance of a local Emirati sponsor. This local partner is also known as a silent partner and has a share of 51% in the company. Though with a high percentage of stock in the company, the profit and losses of the company are shared with the local sponsor in a ratio different than the share capital.

» *Public Shareholding Company*

A Public Shareholding Company (or PJSC) refers to a company where the total capital of the Business is equally divided into shares owned by the partners. Each of the partners possesses the liability, which is limited to the amount of share capital of the partner. A minimum of 10 partners are required, and the board of directors can consist anywhere from 3 to 15 people. It should also be kept in mind that in such a company, the Chairman and the majority of the directors must be UAE nationals.



» **Branch Office**

A branch office is another office other than the parent office in a different location to perform the business activities in the targeted location. These offices have got different departments, such as Human Resource, Marketing, Accounting, Operations, etc. The ownership of the smaller company belongs to the parent company.

» **Representative Office**

This is a type of company that is established by the parent company in a foreign location to carry out the marketing and non-transactional business operations. They are much easier to establish than a branch office as they are not used for core business purposes.

» **Professional Firm**

A professional company can be defined as an organization which utilizes the expertise and the different qualifications of a person. For example, a Chartered Accountant Firm will be considered as a professional firm as such a firm will depend upon the expertise of the Chartered Accountants and other qualified professionals.

The benefit of establishing a professional company is that the said professional company can be wholly owned by an expatriate shareholder with the help of a UAE national. This UAE national will not hold any share in the company but may charge a fixed annual sum for acting as the service agent.

Depending on the type of company to register, you should first verify the share capital, which is required to be deposited. For example, in order to register a limited liability company, the minimum share capital required in Ajman is 150,000 Dirhams (approximately 41,000 USD or 31,000 EUR).

2. Company set-up in the Free Zone

In order to set up a company and conduct business in the Free Zone of Ajman, you need to obtain a specific licence. The Ajman Free Zone Authority (AFZA) can issue 5 different types of licenses. These are:



» *Trading License*

People who carry out trading activities in the free zone region are issued with a trading license. The Business can add 3 activities in a single license issued by the Ajman Free Zone Authority.

» *E-Commerce License*

A company that wants to venture into e-Commerce or starts 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 willing to set up their Business in providing PRO services, such as I.T., management or marketing consultancy, in Ajman Free Zone must acquire a professional license to start their Business.

» *Industrial License*

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

» *National Industrial License*

This license is issued to companies that fulfil 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

Companies with a national industrial license enjoy duty-free exports to the member states of the Arab Gulf Cooperation Council (AGC).



Estimated Cost-wise break down of all the licenses is given in the table below:

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

Documents Required for the Set Up Process

For setting up a company, there are certain documents required everywhere. The documents required may be less or more depending upon the place and the activity of the company. The primary documents which are necessary for the company set-up process are given below:

» *Articles and Memorandum of Association*

Upon forming of a company in Dubai, the Memorandum of Association is created. This document comprises the critical points as to what will be the activity that the company will conduct, how it will conduct, shares to be issued, initial subscribers and all the other vital information of the company. This document will be signed by all the shareholders at the time of the incorporation of the Business.

» *Certificate of Incorporation (in case of setting up a subsidiary or branch office)*

Upon forming of a company in Dubai, the Memorandum of Association is created. This document comprises the critical points as to what will be the activity that the company will conduct, how it will conduct, shares to be issued, initial subscribers and all the other vital information of the company. This document will be signed by all the shareholders at the time of the incorporation of the Business.



» *A notarized Power of Attorney (for the local representative)*

A Power of Attorney will help the local sponsor to claim the share of the foreign Business. This Power of Attorney should be notarized first by the Government of Ajman and then can be admissible in a court.

» *Copy of the Local Representatives Passport*

The passport will be proof as to whether the local sponsor is actually a resident of the United Arab Emirates or not. In case he is not a local resident, the company will be disbanded, and all the activities will be shut down.

Apart from these certain more documents will be required, such as the following:

- » A valid copy of the passport of the company shareholders
- » Proof of residence of the company owner
- » Duly filled application for incorporation of an offshore account
- » Bank reference letter
- » Resume of the owner of the offshore account
- » Business plan with cost-benefit analysis

Business Set-up Locations and Options for Businessmen

When setting up a business in Ajman, there are various options that are present for an entrepreneur. HE or she needs to choose the type of business activity, the legal structure, the location, etc. and accordingly, after deciding which decision will help in increasing productivity.

There are three main locations in Ajman which are suitable for conducting Business, these are:

- » Ajman Mainland
- » Ajman Free-Zone
- » Ajman Offshore



The three locations are further detailed below:

I. Ajman Mainland

This consists of all the geographical areas of Ajman (not consisting of the Free Zone). There are many advantages to setting up a business in the Mainland. Also, you should take care to take assistance from a local sponsor who will help you to navigate the business set-up procedures.

Below is the business set-up process:

1. Submit Application

Submit a company application form at the Customer Services Centre in the municipality for initial approval.

2. Verify the chosen location

Follow up with the Inspection Unit in the municipality of Ajman for verifying the chosen business location.

3. Obtain Approvals from Municipality

Obtain approval of specialized departments in the municipality, if required.

4. Trademark Approval

Obtain approval for the trade name and issuing of business register and membership certificate.

5. Submit these Approvals

Submit the necessary approval, along with receipts from the Ministry of Trade as acceptance into the Register of Companies.

6. Pay the Required Fees

Pay all fees and submit the application to the Customer Services Centre to get the receipt. It would take one day to get the license for your company.



The business activity and the authority from which the license must be taken are given in the table below:

Government Authority	Business Activity
Ministry Of Education	Private Schools, Kindergartens, Educational Institutions, Gymnasiums
Ministry Of Education	Organizing Hajj And Omrah Campaigns, Quran Recital Centres, Law Firms
Ministry Of Agriculture And Fisheries	Plant Nurseries, Farm, Cattle And Bird Trading, Fish Trading, Seeds And Fertilizer Trading
Ministry Of Labor And Social Affairs	Babysitting Services, Labor Services
Ministry Of Finance And Industry	All Industrial Licenses
Ministry Of Health	Hospitals, Private Clinics And Practices, Medical Laboratories, Pharmacies
Ministry Of Economy	Accounts Auditing, Foreign Companies Branch
Ministry Of Information And Culture	Advertising And Publicity Office Drawing And Scripting, Organizing Events And Shows, Computer Trading, Digital T.V. And Cable Services
Central Bank	Banks, Money Exchange And Transfer, Financial Consultancies

Advantages of Setting up a Company in Ajman

Setting up a company in the Mainland of Ajman has its own benefits. These benefits will help the company to be more profitable while using fewer resources. Some of the benefits of setting up a company in Ajman Mainland are:

- » In the Emirate, 100% foreign ownership and full repatriation of capital and profits are allowed in Ajman.
- » Ajman free zone presents all the opportunities an exclusive economic area is supposed to provide, at a relatively lower cost than other free zones in the UAE. This is because the Ajman Free Zone Authority levies no registration fee.
- » The strategic location of the Emirate along with the various amenities and incentives the Government of Ajman provides make it one of the best places to set-up a business.
- » The business registration process in Ajman is straightforward – there are single-window clearances for multiple government services like postal services, licensing, immigration, visa, etc.



- » In Ajman, foreign investors can get a 20-year land lease, renewable for another 20 years, thus allowing legitimate tax-exempt operations for 40 years
- » A company located in Ajman enjoys 100 % legal exemption from all import and export duties
- » As a part of the UAE, a respected international trading jurisdiction, an Ajman business is not perceived as an offshore company in a foreign tax haven

Steps to be Taken after Incorporation of a Company

Setting up a company is not the final thing that is to be done; rather, it is just the beginning of a long and arduous journey. After a business is registered, there are a number of things that need to be taken care of. Such as:

1. Setting Up a Bank Account

Once all the submitted paperwork has been returned, you will have all the documentation required to open a bank account for your Business. The United Arab Emirates is home to many banks, both local and international, with famous and reputed names such as Emirates NBD, Abu Dhabi Commercial Bank, and various others. Other international banks include HSBC, Citibank, and Barclays. You can choose any of the banks depending upon the requirement of your company.

2. Apply for a labour card

Before you can apply for an employment visa for your employees, you need to apply for an establishment labour card. This card, issued by the Ministry of Labour (MoL), allows a company to hire staff, obtain work permits and apply for visas on behalf of its employees. The card verifies that the company is registered with the Ministry of Labour and has a registration number.



3. Process your VISA

You can apply for your visa along with staff and dependents. This benefit is available in any of the free zones but the number of applications to be submitted depends on which free zone you choose to set up from. The visa application process – both for you and any relevant dependants – is incredibly straightforward.

4. Register your Employee

Social security in the UAE is the old-age pension for retired workers and employees. Upon reaching the official retirement age, they are entitled to a pension based on their average salary during the few years of employment and the number of years they have paid a contribution for. Payments for social security in the UAE are usually deducted from gross earnings on a PAYE (pay-as-you-earn) basis. The employer, as well as the Government, also contributes a certain percentage of the insured person's salary to social security.

These are the basic things that you need to take care of as the owner of the Business. Once the above-mentioned things are done, the company can conduct its Business without any worries.

II. Free Zone in Ajman

Free zones are geographical locations in which if a company is set up, the foreign owner will enjoy complete control over the company and will not have to take any assistance from a local Emirati. These zones are very attractive to foreign people in Business who want to set-up a company in Dubai.

One more very lucrative characteristic of the Free Zone is that each Free Zone gives importance to a specific sector or industry. This feature is very helpful for a particular type of company to be set up in a place. There is currently only one Free Zone in Ajman.



About Ajman Free Zone

The Ajman free zone was established in the year 1988 and had a very big role in changing the entire picture of the way people do business in the Emirate. It is a big reason for people to take up manufacturing and other forms of Business. The free zone provides progressive infrastructure and state of the art infrastructure, which helps the companies which are set up in the free zone to reach its maximum potential.

It is considered as a haven for all investors and businesses all around the world and is well known among the business people for its creativity and innovation. The free zone aims at strengthening its relationship with its clients by providing the best services it can and constantly evolving itself to support the needs of the various businesses.

Benefits of setting up a company in the Free Zone

These free zones are specially made for setting up a business. They have their own management and do not require a local sponsor for the establishment of a business. Some of the benefits of setting up a company in the free zone are:

1. Various Commercial Benefits

No custom duty is levied on any business that is established in the free zone. Apart from this there is 100% repatriation of profit and a foreigner can own 100% of the company.

2. Various Tax Benefits

Corporate tax is fully exempt for a company and there is no import or export duty levied on a company.

3. Business Friendly Environment

The Government of Ajman strives to make Business friendly laws so that each company can reach its maximum potential. The Ajman Free Zone Authority (AFZA) also provides single window clearances for multiple government services.



4. State of the Art Infrastructure

Ajman has pre built offices which facilitate the requirement of your company. Whether the company needs a warehouse or an office. The companies can also benefit by leasing the land in the free zone.

5. Complete security service

There is 24X7 security which means that the Business can be run safely. There are no currency restrictions and there is easy availability of basic necessities for a company such as banks, postal services, etc.

III. Offshore Company

An offshore company can be defined as a company that has been filed outside of the country where its directors, officers, partners, members and shareholders reside. The main purpose of this company is to conduct its Business outside of the place where it was originally registered. The offshore companies provide an advantage to both the companies and the jurisdiction.

Benefits of setting up an offshore Company

There are various benefits of setting up an offshore company. Some of the benefits are:

- » 100% foreign ownership
- » 100% repatriation of capital and profits
- » Low cost of company set-up
- » No need to rent an office space or an industrial place. The legal address of offshore Ajman agent is the address of the offshore company
- » No annual audit required
- » No paid-up share capital required
- » Easiest registration process as the company set-up documents can be delivered within a day
- » Businesses in Ajman offshore company formation are allowed to purchase as well as sell property. They are also allowed to take ownership of property in the UAE, subject to the earlier approval of the land department
- » AFZ is globally recognized
- » Offshore companies in Ajman can also open a bank account



The Future of Ajman

Though the Emirate of Ajman was not given its due share of importance, it is gradually becoming a well-known presence. Not only has the Emirate evolved in the type of businesses being conducted but also the number of companies established in the Emirate has seen a huge increase.

The Emirate has seen a huge increase in its real estate sector as most of the real estate consultants advertised Ajman as an in-expensive alternative to the bigger emirates such as Abu Dhabi, Sharjah or Dubai. The whole of UAE had seen a slump in the recent years in the real estate market but this slump did not affect Ajman.

Not only real estate, Ajman is slowly making headway in the tourism sector and the manufacturing and production sector. This situation has not only helped the economy of the Emirate of Ajman but will also attract a number of companies to the Emirate. Another very important feature of this Emirate is the Ajman Free zone and the Ajman port. Both of these locations provide state of the art infrastructure and other important services which will be required by every Business.

Also the Ajman Vision 2021 will play a major role in shaping the future of the country as a number of innovative and crucial ideas have to be implemented according to this vision.

Conclusion

There has been a significant increase in the Emirate of Ajman and the Emirate is further trying to improve itself. There are many factors such as the political and economic stability, the simple and easy business environment, and various other factors have made this Emirate as a very crucial location for entrepreneurs and businessmen all over the world.

The Government of Ajman has taken steps which has helped the Emirate to make the transition from a fishing location to manufacturing and production hub. The Ajman Vision 2021 will also help in making the future of the Emirate better. The free zone of Ajman and the Ajman port also helps in attracting a number of businesses in Ajman.



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 business in the Ajman.

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 and 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 Ajman.

13 Years of Helping Businesses

50+ Members

2000+ Happy Clients

How Can We Benefit You?

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

- » Strategize to accelerate your business growth
- » Streamline your business activities
- » Comply with the legal rules and regulations
- » Provide tailored business solutions
- » Helps you establish the business pillars with post-incorporation solutions like accounting, taxation etc.

If you are planning to step ahead and set up your company in the Ajman, do contact us today- we'd be glad to assist.



Contact Us

Dubai

Commitbiz Management Consultants
Dubai,
10th floor
Dubai World Trade Center
Sheikh Zayed Road
P.O. Box 293816
Dubai
United Arab Emirates
Phone: +971 4 3867444
Fax: +971 4 3867474
Mob: +971 56 5927847
info@commitbiz.com

Sharjah

Commitbiz Management Consultants, Sharjah
#05, Level 1
AM Building
Rolla Squire, Rolla Street
P.O. Box 120922
Sharjah
United Arab Emirates
Phone: +971 6 5527902
Mob: +971 52 1056207
info@commitbiz.com

London

Commitbiz Management Consultants
Level 17,
Dashwood House
69 Old Broad Street,
London EC2M 1QS
United Kingdom
info@commitbiz.com

Abu Dhabi

#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
Phone: +971 2 6434601
Fax: +971 2 6434603
Mob: +971 55 7548296
info@commitbiz.com

Bahrain

Commitbiz Management Consultants
Bahrain
Ground Floor
AS Gate Building
Hawar Hwy
Kingdom of Bahrain
P.O.Box: 37100
Phone: +973-77110288
Fax: +973-77110388
info@commitbiz.com