



**COMMITBIZ**  
Management Consultants

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

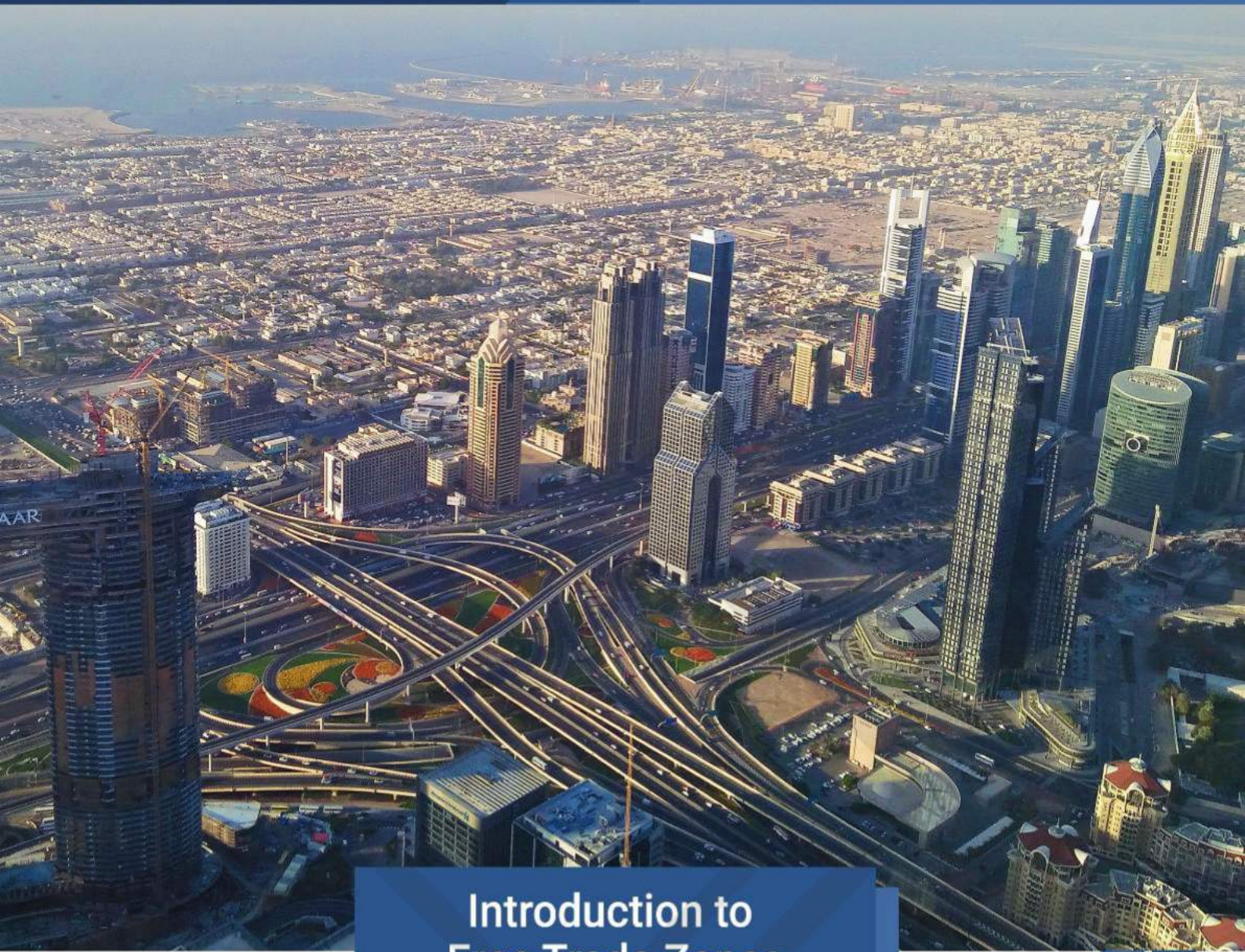




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## Introduction to Free Trade Zones

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:

<b>100%</b> Foreign Ownership of Enterprise	<b>Quick</b> Approval Procedures
<b>Extended Leases</b>	<b>100%</b> Tax Exemption
<b>Full Repatriation of capital and Profits</b>	<b>Abundant and Inexpensive Energy</b>

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.





## Fujairah Free Zone

Fujairah is one of the seven Emirates that form the UAE, and the only one on the Gulf of Oman in the nation's east side of the Arabian Gulf. The Emirate of Fujairah covers over about 1.5% of the area of the UAE. The traditional all-persuasive hospitality gives a great deal of charm to the life, and the cultural activities of other countries are very much popular in this beautiful Emirate. Except for the federal matters, the administrative powers are ultimately held by the Ruler of Fujairah, H.H Sheikh Hamad Bin Mohammad Al Sharqi, Member of Supreme Council, who has been in power since 1974.

Fujairah Free Zone provides a unique Connectivity - logistic link to the world; by sea through Fujairah Sea Port, by air through Fujairah International Airport, and by road to the Middle East & beyond. Investors get advantage by way of faster transactions, accumulating due to shorter delivery times.

Fujairah Free Zone (FFZ) also offers an unmatched Economy - low-priced tariffs and minimum set up time. Licenses can be handed out within one working day. Reduced establishment expenses, and lower overheads, make Free Zones of Fujairah a very cost-effective investment proposition.





# Different Free Zones in Fujairah

There are three major free zones in Fujairah. They are explained as under -



## Fujairah Free Zone Authority

Fujairah Free Zone Authority is located next to the Port of Fujairah. The most significant benefit of the businesses that are registered within this Free Zone is that they have easy access to all Arabian Gulf ports, the Red Sea, India, Iran, and Pakistan. Fujairah Free Zone is also near to Fujairah International Airport, which is the distinctive airport available on the UAE East Coast as well as northern Oman.

Several such advantages, including perfect strategic location with access to the world's major shipping routes, airport and port, and streamlined procedures, make the Free Zone of Fujairah an ideal place to establish the company.

Fujairah Free Zone (FFZ) offers investors the lowest prices and minimum requirements for a startup. The Licenses, together with the other documents, shall be issued within one working day only. The low cost to establish your company and minimum requirements make Fujairah Free Zone the best option for you and your business.

## Features of Fujairah Free Zone Authority

Multi-access to neighboring and worldwide markets by sea, land, and air

Effective and cost-efficient investment facilitation

Assisted by Fujairah Port and Fujairah International Airport

Lease period up to 15 years

Nature of business activities include manufacturing, processing, assembling, packaging, import/export, distribution, storage facilities.





## Business Licenses in Fujairah Free Zones

Business licenses are needed to officially operate a business in any of the Fujairah free zones. The licenses available in Fujairah for its companies are -:



### General Trading License

This license helps to import, export and re-export agreed and specified commodities. The License enables the investor to carry out import, export, and re-export freely in the Free Zone. Outside the UAE For local distribution, the free zone authority can arrange special permits with the relevant Government departments for hassle-free operations.



### Warehouse License

It can be obtained in leasing warehousing facilities. This License enables the investor to use the warehouse as a hub for significant distribution, benefiting storage, and packaging of goods.



### Consultancy License

Business professionals provide expert and professional consultancy services across all industries.



### Service License

Includes providing multiple types of services as the primary objective, for example, technical, life-style, and alike types of services.



### Holding License

Permits the licensee to hold standalone assets and shares in other companies.



### Manufacturing License

This license is obtained on the approval and implementation of the project. All projects must be fully insured, including workforce and machinery. All manufacturing license consents are subject to the identification of the following:

- Area requirements - built-up and open space
- Electricity, water, and workforce requirements
- Environmental aspects of the project





## How to Set up a Business in Fujairah Free Zone Authority?

Fujairah Free Zone company setup is an easy process that makes it simpler for new companies to start their business without much of a hassle. The steps involved are:-

- Determine the type of business activity
- Prepare a detailed plan for business set-up
- Select your trade name (which must be unique) and reserve it with the Fujairah Free Zone authority
- Set up the infrastructure, and hire the required staff
- Deposit the mandatory capital amount in a bank
- Handle business registration and licensing requirements
- Get shareholders to sign the company formation documents in the presence of the free zone authorities

A resolution from the Board of the company

### Documents Required for Business Setup in Fujairah Free Zone Authority

Attested Memorandum and Articles of Association (MAA) from the UAE embassy

A valid operating business license

Photocopies of passport and two photographs of the person -in-charge, directors and shareholders

## Fujairah Creative City

After the establishment of the Fujairah Free Zone in 1987, the Fujairah Creative Zone was also discovered in 2005. It is also known as the Fujairah Creative City Free Zone. It offers media-related amenities to investors. Additionally, the Fujairah Creative City provides a consistent and professional business environment for the businesses in other fields as well. Such as marketing, consulting, entertainment, technology, design, education, music events, etc. It is like any different UAE free zone that offers work permits and visas conveniently for the businesses. This Creative City Free Zone also offers customized services and suitable business packages to make the business formation process easier for investors and business owners. The facilities also include License, registration, visa, business centers, and immigration.





## Business Activities Available in Fujairah Creative Zone

Publishing

Management of Broadcasting

Marketing and Media Services

Music and Entertainment

Consultancy

Broadcasting

Production/Post-Production/Filming

Information Technology Services

## Licenses in Fujairah Creative Zone



### Commercial License– Single Owner (FZE)

Visa availability: No visa. Processing time: 6-7 working days.



### Commercial License FZCO – Multiple Owners (FZ LLC):

Visa availability: No visa. Processing time: 6-7 working days.



### Freelancer

Freelancer company License enables you to operate as a freelance professional offering a service from a variety of business activities available at Creative City.



### Baby Business License

Baby Business License is designed for small businesses to benefit from an easy company set-up process with minimized overhead costs





## Features of Fujairah Creative Free Zone

Seven creative zones

Aims mainly to attract local and regional customers

Focus on SMEs and Freelancers

A haven for Intellectual Property Rights(IPR)

Home to 13 channels of various languages

Established terrestrial digital broadcasting, (DVB-H) platform in the Middle East namely "Jebalcom"

Providing production facilities

## Features of Fujairah Creative Free Zone

The business packages provided by creative city Fujairah can be tailored to meet the specific needs of an investor. It includes -

### 01 Office space

The package provides you with physical office space in Creative City Fujairah, at competitive rates.

### 02 Genius Package

Genius Package has been announced by Creative City Fujairah for big companies with large staffing requirements while enjoying the advantages of streamlined business set-up, entitled to an unprecedented 15 visa quota.

### 03 Baby Business

The Baby Business package is designed for SMEs to benefit from an easy company incorporation process with minimal overhead costs. Providing small companies with up to 6 visas, this package is meant to help effectively operate a business in the UAE.





## 04 Freelancer Company

This package is ideal for startups with four visas, providing all the advantages of a traditional company set-up.

## 05 Commercial FZ LLC

Non-visa package with a choice of up to 30 individual shareholders

## 06 Commercial FZE

The license package is designed for an individual without any visa requirements.

## 07 Commercial Plus One

The Commercial Plus One is the smallest business set-up with two-visa availability, and suitable for a single individual owner.

### Procedure to Start a Business in Fujairah Creative City Free Zone

Creative City Free Zone provides licenses to individuals within a free economic zone. It controls and processes all government formalities, work permits, and visas and simplifies the process of a business startup.

This free zone provides a complete one-stop solution and offers customized services and business packages and ensures professional assistance to its business people during the business set-up procedure. The steps to starting a company in Creative City FZ are as follows:-

**01** Select a trade name for your Fujairah Company. Remember that the trade name must not match the name of any existing companies in the UAE. It is strictly against the law. Once you select the name, register with the Fujairah Creative City Free Zone Authorities.

**02** Next, select a business entity that is suitable for your business. The different entities provided by the Fujairah free zone are-





**03** Free Zone Establishment

**04** Free Zone Company

**05** Branch of a foreign company

**06** Branch of a UAE company

**07** Once you select the corporate structure, in this step, you need to decide upon the business activity. This step will help you finalize your business

**08** Now is the time to apply to register your business. To do so, fill in the details on the application form, gather all the documents (notarized and attested), attach it to the application, and submit it to the authorities.

### The Documents Required are as Follows-

- Passport copies and IDs of shareholders, directors, owners of the business
- Copy of your bank statement
- Detailed business plan
- Duly filled application form
- Payment of the necessary cost (amount to be made upfront, on approval of name and activity)
- Articles of Incorporation signed and attested
- The free zone authorities will review your application and approve/disapprove your request
- If approved, you can apply for a business license
- After this, go on to look for office space and sign a lease contract
- Free zone authority will give you final documents as under-
- Certificate of Incorporation
- Business License







## International Free Zone Authority (IFZA)

The IFZA free zone in Fujairah is strategically placed in the dynamic business and commercial hub of the UAE. It operates hand-in-hand with over 400 local and international company formation specialists and regulates, facilitates, and incorporates trade from its headquarters. IFZA's unmatched customer focus has positioned it as one of the most trusted independent free zones in the Emirates, providing personalized services to help businesses grow.

### Facilities Provided by IFZA

A wide range of modern office solutions which have:

- European design
- Modern, open interiors with ample natural light
- Flexible usage options
- Flexible rental duration
- 24/7 access

Warehouse facilities include various size options build on the highest international logistics standards

- Various sizes
- Flexible rental duration
- 24/7 access

Different quality and spacious retail outlet options to selected brands

- Large storefronts
- Easy access
- High-quality common areas
- 24/7 security





## Types of Licenses Available in IFZA

The various types of licenses available in the IFZA Fujairah are:



### General Trading License

It enables a licensee to trade a more comprehensive range of items.



### Trading License

This License enables the licensee to trade items specified on the trade license.



### Industrial License

This License allows importing raw materials, production, reproduction, manufacture, package, and export.



### Holding License

This License allows the holding of standalone assets and shares in other companies.



### Consultancy License

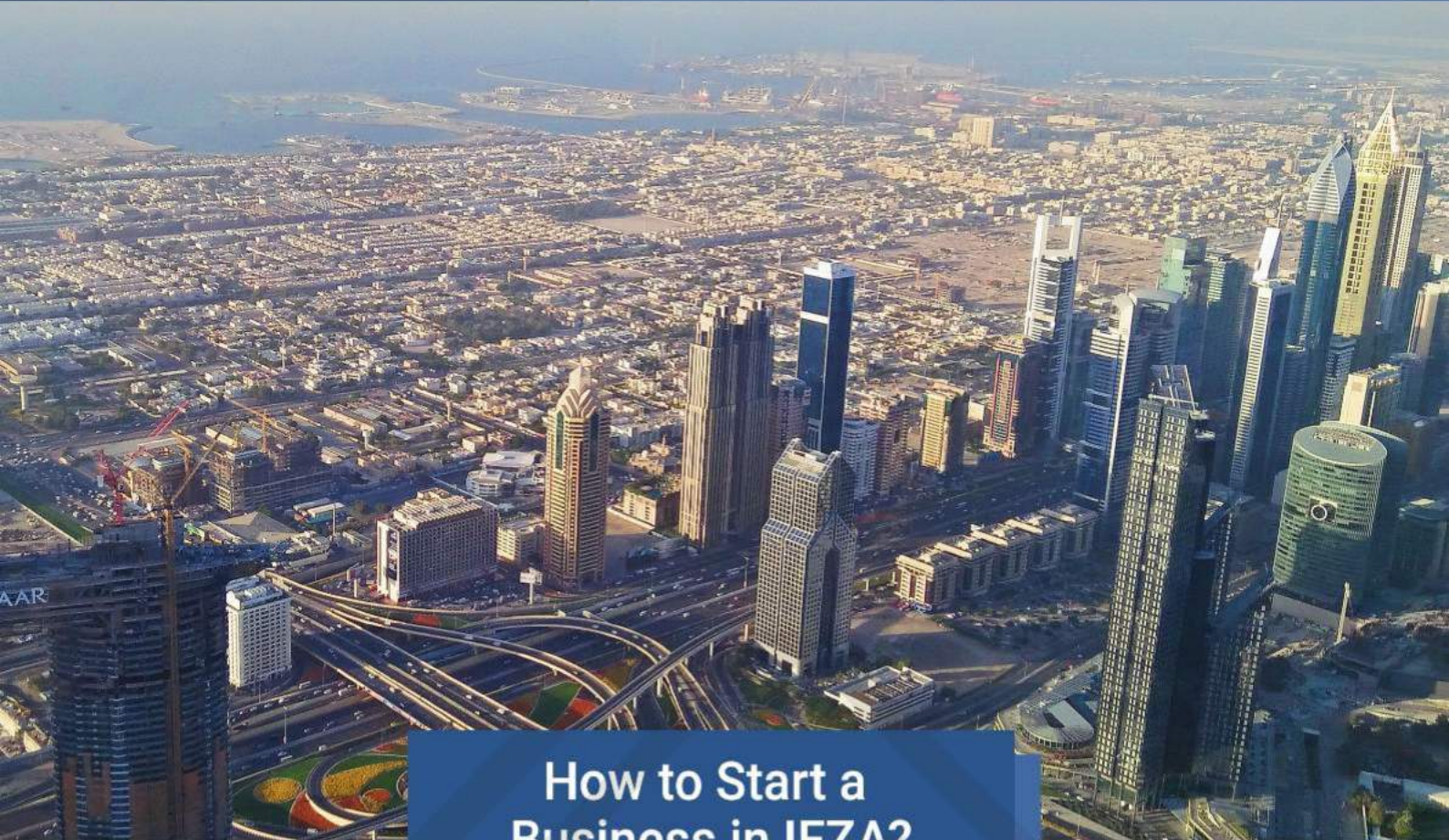
This License is issued to the companies who are into providing expert and professional consultancy services for professionals.



### Service License

Under this, companies who are into production, reproduction, transformation, and distribution of services are provided with a license.





## How to Start a Business in IFZA?

With so many benefits coming your way, Fujairah Free Zone Company set up is a straight-forward process. Most of the process is done online, and once all the documents are submitted, the officials can take 10-12 days to approve your company registration.

The steps are as follows:

- Obtain an initial approval for name and activity from the Municipality of the Fujairah free zone. Note that the name should not be similar to the name of an existing company
- Obtain approval from concerned Ministry/Department in case the activity is of unique nature
- Write up the company's Memorandum of Association and have it notarized from the courts
- A capital contribution certificate must be obtained from the banks for cash shares and auditor's certificate for both cash shares and kind shares
- Submit the application form and initial approval along with the notarized copy of Memorandum of Association, capital certificate, tenancy contract, etc. to the Municipality
- After scrutiny by the legal department, the Company name will be entered in the Commercial Register and have its Memorandum of Association published in the Ministry of Economy Bulletin.
- The Municipality will then issue the License





## Documents Required for Registering a Business in IFZA

The documents that are needed for business formation in IFZA are mentioned below:

- A valid business license
- A resolution from the Board of the Company
- Attested Memorandum
- An Article of Association from the UAE Embassy
- Business plan needed
- Passport size photographs
- Passport copy of the investor
- Passport copy of shareholders
- Suggested name for the business or organization
- A deposited compulsory capital amount in the bank
- Recruitment of staff
- Personal information of shareholders and investors

## Business Entities in Fujairah Free Zones

There are three types of permissible ownership structures a business can have in this free zone:

### Free Zone Establishment (FZE)

Businesses having only a single shareholder

### Free Zone Company (FZC)

An entity having more two or more shareholders

### Branch

A company can have any of these two types of branches: (1) branch of a company registered in the UAE, or (2) branch of a company registered in a foreign country







## Benefits of Starting a Business in Fujairah Free Zones

Fujairah Free Zone company formation has a lot of potential for startups and young entrepreneurs as well as for investors. Fujairah Free Zone authority promises a slight growth for new ideas and company formation in the region by making sure that they have been provided with excellent infrastructure, flexible government policies, and other benefits like:

- 100% foreign ownership
- 100% free transfer of funds
- 100% tax exemption from import and export duties
- No foreign exchange controls
- No restriction on hiring foreign employees
- Cost-effective and timely immigration procedures
- Convenient procedures for recruitment
- Advanced infrastructure
- Total safety and protection for investors
- State-of-the-art communication method
- Full repatriation on capital and profits
- Low investment costs
- Progressive economic policies with a legal framework
- Affordable sponsorships and visas
- Corporate Bank Account set-up
- Multi-access to neighboring and global markets by land, sea, and air.
- Variety of investment fields.
- Investor-oriented policies





## Value Added Tax (VAT) in Fujairah Free Zones

Generally, free zones are well-thought-out as VAT free. However, in the UAE, all free zones are not VAT free. As per provisions of UAE VAT Law & executive regulations, VAT Free Zones are called "Designate Zones."

A Designated Zone is a definite fenced geographic area that has safety measures and customs controls in place to monitor the entry and exit of entities and the movement of goods to and from the site. Additionally, Free zones are identified overtly by way of Cabinet Decision as Designated Zone. Where Free Zones are not a Designated Zone, it is treated like any other part of UAE.

Designated Zones are areas considered by the Emirati cabinet outside the scope of UAE VAT for a few limited cases. All transactions are not measured as VAT free (Outside the scope of VAT); Accordingly, business in Designated Zone may be required to register, account for VAT, file VAT returns and pay VAT as per rules & regulation

One of the designated zones, according to the list of the cabinet includes Fujairah Free Zone.

### Value Added Tax (VAT) in Fujairah Free Zones

VAT law & regulation provisions applicable to the business are complicated. Let us see some of the general rules.

#### Supply of services

Place of supply for service transactions are treated as the same as mainland transactions. Therefore, it is taxed as per mainland transactions.

#### Goods supplied within a Designated Zone

A supply of goods made within a Designated Zone (i.e., where both the supplier and customer care in the Designated Zone) will generally be outside the scope of VAT provided the goods are not used up within the Designated Zone.





## Import from Outside the UAE

Goods that arrive in a designated free zone from outside the UAE are not treated as imported into the UAE. Therefore, no customs duty, as well as VAT, is charged on such arrival of the goods.

## Transfer of goods from the UAE the mainland to Designated Zone

Supply or transfer of goods into a Designated Zone from a place in the UAE, which is not a Designated Zone, is not an export for VAT purposes and, thus, will not give rise to zero-rated VAT treatment.

## Transfer of goods between Designated Zones

It is treated as out of the scope of UAE VAT, as long as the goods are not released into circulation, used, or transformed in any way during the transfer between the Designated Zones, and the transfer is undertaken following the rules for Customs suspension per the GCC Common Customs Law.

## Transfer of goods between Designated Zones

A movement of goods from a Designated Zone to the mainland is measured as an import of goods into the Emirate and is hence customs duty, and VAT is payable on such import.

## Why Setup a Business in Free Zones of Fujairah?

Investors get advantage from the triple Fujairah Free Zone advantage, namely the ACE -Accessibility, Connectivity & Economy. Some of the advantages of Fujairah Free Zone company registration are -

Strategic location – only Emirate out of Hormuz Strait

- A worldwide business focal-point
- Modern Sea Port (Fujairah Port is the second-largest bunkering port of the world)
- Opportunity for investment in the earth and geological projects (rocks, minerals, and oil)
- Opportunity for investment in the Tourism Sector
- Opportunity for investment in Agriculture
- A highly business-friendly Government
- State policies permit complete repatriation of profit and capital
- No income tax or corporate tax
- Gateway for other huge business destinations
- Free Trade Zones
- A modern, well-organized and urbane communication system
- Stable currency
- Fujairah International Airport- The only airport serving the UAE East coast as well as Northern Oman





## Conclusion

Free Zones in Fujairah provides a lucrative environment for business set-up with low overhead cost and establishment expense. The free zone focuses on a broad spectrum of business fields, including media, consulting, events, communication, education, and marketing, music and design, entertainment, and technology. Investors interested in this field can take the opportunity to set up a business in this free zone.

## 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 Fujairah 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

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