



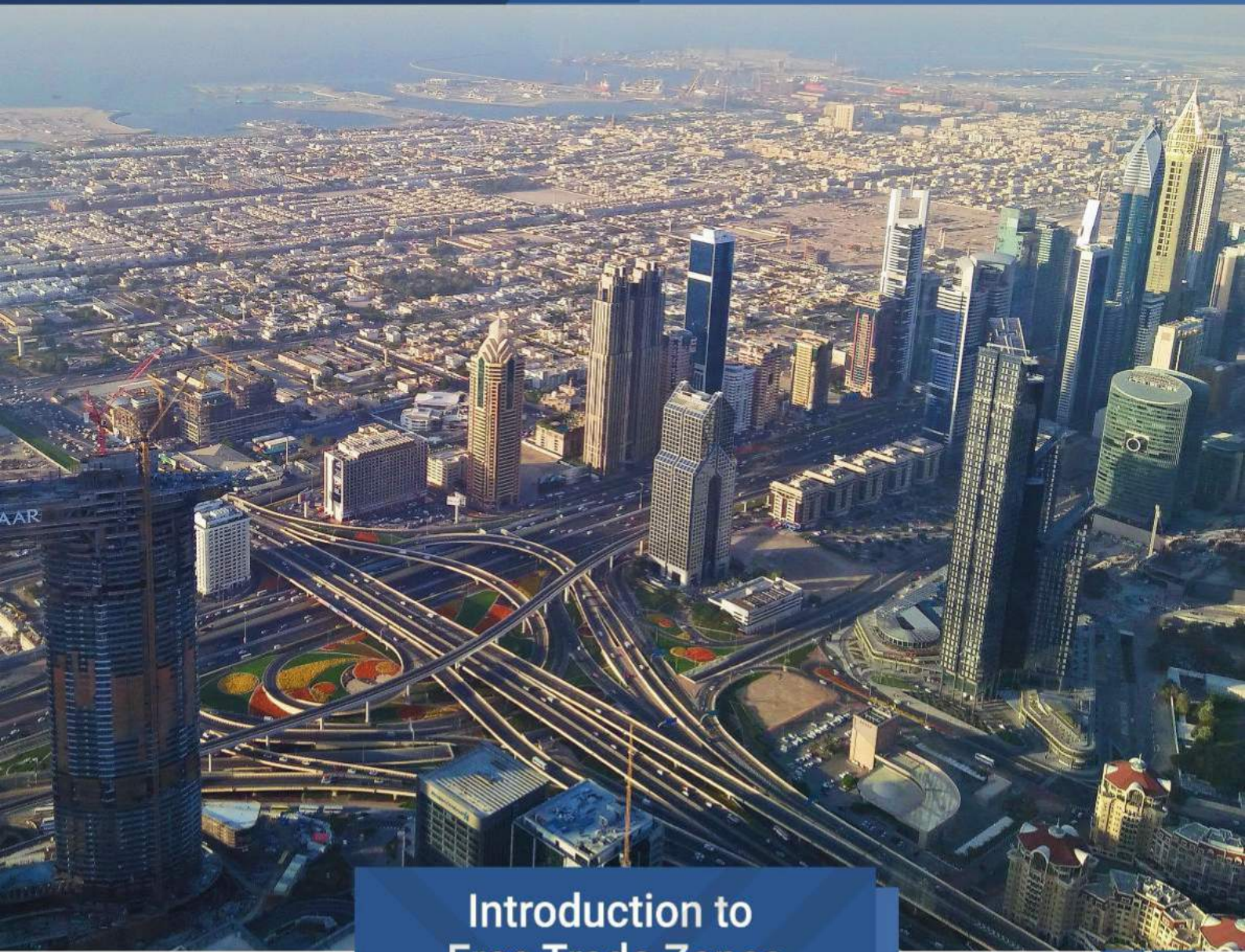
COMMITBIZ
Management Consultants

*A Guide to Setting Up A Business
in Umm Al Quwain Free Zone*



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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:

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.



Umm Al Quwain Free Zone

Umm Al Quwain free zone is an immensely gainful location for a business located near the seaport of Umm Al Quwain. Umm Al Quwain (UAQ) free zone is an hour's drive from Dubai International Airport and Sharjah International Airport and is an ideal place for trading and setting up your business in the UAE. Owing to its strategic geographical location, the UAQ free zone has many opportunities and perks for young business enthusiasts and emerging entrepreneurs.

Umm Al Quwain, Free Zone Authority, manages the free zone, supported by the Umm Al Quwain government, which authorizes it to incorporate companies with a trade license. The companies which exist at present in the UAQ free trade zone are involved mainly in exporting and importing activities. If you set up your business in the UAQ free zone, you have easy access to the rest of the world due to the transportation facilities available in the region.



Free Zone in Umm Al Quwain

The most notable free zone in Umm Al Quwain is the Ahmed Bin Rashid Port & Free Zone. Read more about it in detail.



Ahmed Bin Rashid Port and Free Zone

Molla, the Ruler of Umm Al Quwain. It is 55 km away from the Dubai International Airport and is located on the West Coast of the United Arab Emirates. The free zone provides a comprehensive administrative and logistics support to the tenants. It was primarily formed to promote the region's dynamic growth and serve as a global trade center for local and foreign investors. Since its inception, passing through extensive developments, Ahmed Bin Rashid Free Zone has risen as an ideal opportunity to establish startups and the expansion of already established businesses in the UAE.

Setting up a business in the Umm Al Quwain free zone is a straightforward process. The free zone authorities are trying to minimize the registration process to bring in more entrepreneurs to set up their business in the free zone jurisdiction.

Advantages of Business Setup in Ahmed Bin Rashid Port and Free Zone

Ahmed Bin Rashid Port and Free Zone provide the following business perks for companies:

- Quick and easy registration and incorporation
- Total exemption from corporate and personal tax
- Freedom to hire foreign employees
- Companies can start with no minimum capital requirement
- Friendly rules and regulation for investors
- 100% retention of capital and profits earned by the company
- The easy company registration process and flexible management for company registration in UAQ
- The leasing option is user-friendly, and 100% foreign ownership of the company is allowed
- Seaport authorities at the Umm Al Quwain free zone provide a concession for trading companies
- Employees or other staff of a company need not deposit their visa at the time of joining
- Supportive government for all legal business activities, especially for SMEs and micro-businesses



Types of Business Entities in Ahmed Bin Rashid Port and Free Zone Authority

FZE Companies

Single shareholder

FZC Companies

Two or more shareholders

Branch Companies

Branch of local company,

Ahmed Bin Rashid Port and Free Zone License Types

UAQ free zone authority encourages all types of legal business activities in the free zone region. Still, every business company needs to obtain various trade licenses following the business they are involved in. Umm Al Quwain free zone license fee can differ from license to license. UAQ free zone has certain types of licenses for different types of business activities:



Commercial License (Trading License)

A trade license is further divided into two categories: commercial license and general trading license.

- **Commercial License:** This license gives one access to deal in commodities that are specified in the license. The dealer can handle and trade in 3 different product lines or ten similar product lines, as authorized in the license.
- **General Trading License:** This type of license grants authorization to much broader trading prospects and more product lines for a business. A business with a general trading license can indulge in almost all trading products except tobacco, alcohol, pharmaceuticals, and crude oil.



Consultancy License

People who offer professional services for other businesses and consumers can go for a consultancy license in Umm Al Quwain FTZ. This professional license is a real benefit for all types of professionals like artisans, teachers, and lawyers.



Premium Consultancy License

Agencies like real estate, tourism, oil & gas engineering, aviation, financial, legal, and investment consultants can carry out their professional activities by getting a premium consultancy license.



Freelance License/Permit

UAQ free zone also provides a business opportunity to freelancers by issuing a freelance permit license. This helps freelancers carry out their business and professional activities and earn a living. A freelance permit is designed, considering individuals who operate in the media and film sector, the technology sector, creative, and talent roles.



Micro Business License

The license applies to those who would like to begin with a minimum budget and do not need a physical office or a visa. They can start a Trading or a consultancy business using this cheapest option.



Service License

A service license allows a company to provide services like car and bike rentals, tourism service, transport, and logistics, or any other service mentioned in the license.

Umm Al Quwain Free Zone License Fee

License Type	New License Cost	License Renewal Cost	Installment Option (Starting)	Visa Requirement
Trading	AED 35,000	AED 30,500	AED 3,500	3 visas
Consultancy	AED 28,000	AED 23,500	AED 2,500	2 visas
Premium Consultancy	AED 40,000	AED 35,500	AED 4,000	3 visas
Freelance	AED 28,000	AED 23,500	AED 2,500	2 visas
Service	AED 21,000	AED 17,500	AED 2,000	

*All the license fees are subject to 5% Value Added Tax (VAT).



Steps to Get Your Business License in UAQ Free Zone

The Ahmed Bin Rashid Port and Free Zone are investor-friendly as it provides a prosperous, safe, and secure business environment. To register your business in this free zone, you need to follow these steps:

- 01** First, decide which license is most applicable to the business requirement and the type of business entity that you want to have for your business
- 02** Next, download an application form from the official website and fill it promptly
- 03** You will get a receipt after you pay for the application. You can then send the way to the Umm Al Quwain Free Trade Zone Authority
- 04** Once the free zone authorities have given provisional approval, the company or their legal representative will be called for a meeting to discuss and get complete information about the company and its activities



- 05** The Authority will then prepare Lease Agreements for signature from the company officials
- 06** When the agreements have been designed, a meeting between the company and the Authority will be arranged, during which the Lease Agreements will be signed
- 07** The applicant Company will then be asked to pay the License fee before the issue of the License above
- 08** The lease agreement between the authorities and the applicant company will be for fifteen years with an option of renewal
- 09** The last step is the issuance of a Certificate of registration and Incorporation, after which you can kick-start your business in the free zone

Under the Agreement of lease and secondment, the Authority will sponsor staff on behalf of the company. Applications for entry permits may be submitted once the Lease & Secondment Agreements have been signed, Special License issued, and construction commenced. Staff sponsored by the Authority may not obtain employment outside the free zone in the UAE.

The free zone provides the flexibility of work and gives an added advantage of geographically strategic location. Standard services of water, electricity, communication, and labor accommodation are also available here.





Why Set Up a Business in UAQ Free Zone?

The Umm Al Quwain free zone has a lot of unique benefits that are not available anywhere else. Combined with the low cost of business setup, they make Umm Al Quwain free zone one of the most attractive free zones among new entrepreneurs. Here are the benefits of setting up a company in Umm Al Quwain.

Fast and Easy Setup

One of the significant benefits of the UAQ free zone is the speed and ease at which entrepreneurs can go from the dream to the destination. The company formation process here takes just 2 to 2 weeks.

Strategic Location

The biggest USP of the UAQ free zone is its geographically strategic location. The region benefits from the low cost of living and labor. It is also perfectly placed to do business with the billions of potential customers across the Middle East and North Africa (MENA) region, subcontinent, and the Far East and European markets. It is within reach of the UAE's main seaport, Dubai International Airport, and Sharjah International Airport.

Great for Small Entrepreneurs

The free zone offers a fantastic advantage to SMEs and solo entrepreneurs with a small budget. The government's backing by bringing in various incentives to the small and medium enterprises has made this free zone a hit amongst the entrepreneurs.



Affordable Licenses

Umm Al Quwain free zone license fee prices begin around 13,500 AED. If one wants to set up a micro-business, they should apply for the license, which can be acquired at this price. However, it's not qualified for visas. If a resident visa is needed, the company cost is 20,500 AED. This will ensure you get two resident visas.

Personal Presence Not Required

One can form a company, even when abroad. They need to sign the incorporation documents and courier them to the appointed agent, who will finish the UAQ authority registration on your behalf.

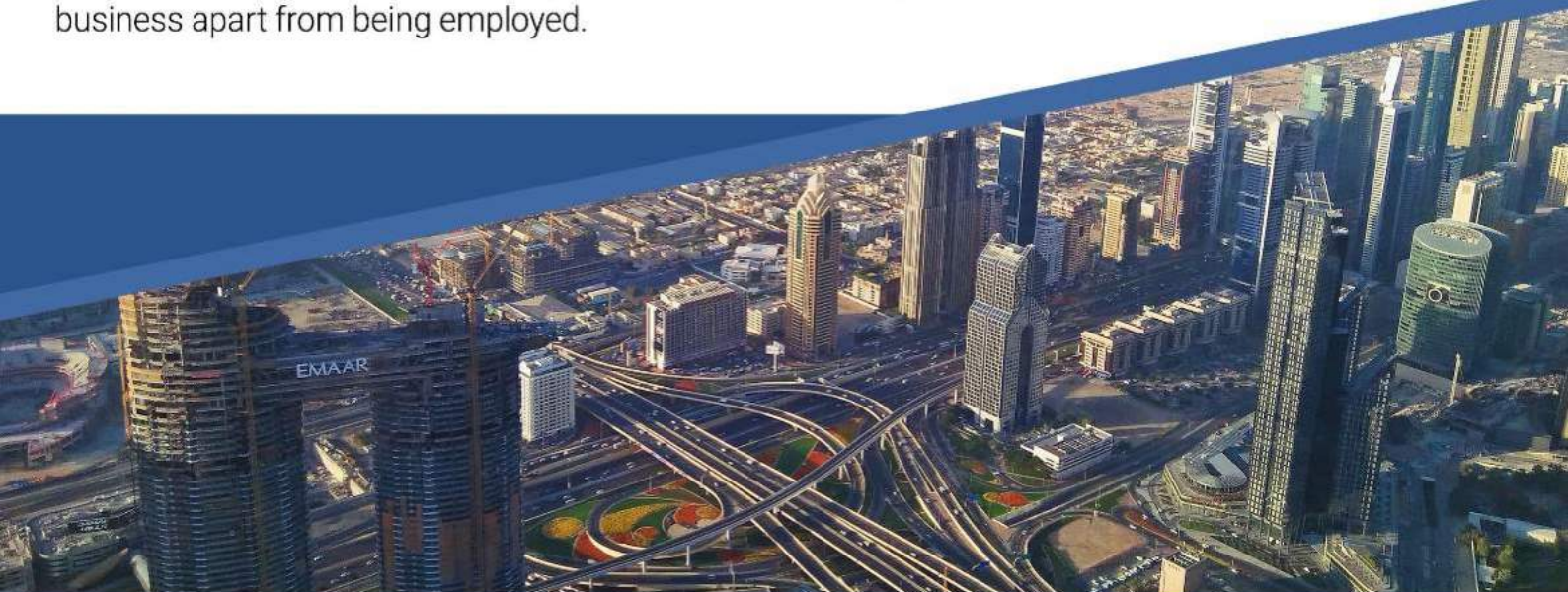
A Variety of License Options

Another attractive proposition for entrepreneurs is the extent of choice for the Umm Al Quwain free zone license. You can get commercial, industrial, consultancy, service, freelance, and micro-business licenses in the free zone.

Apart from these 6, there are other benefits like:

- 0% corporate and personal tax
- 100% company ownership
- Full range of business activities permitted
- 100% repatriation of capital and profits
- No currency restrictions
- 100% import and export tax exemption within the free zone
- Hi-tech facilities including office, warehouse, and land availability
- No restrictions on hiring foreign employees
- Modern and investor-friendly rules and regulations
- Cost-effective leasing options available for office and warehouse

And this is not all. Since Umm Al Quwain free zone issues licenses at a relatively lower cost than other free zones with no requirement of being physically present in the free zone, an entrepreneur need not provide a No-Objection Certificate (NOC) from the current sponsor if one wishes to start a small business apart from being employed.





Conclusion

Thanks to UAQ FTZ's investor-friendly environment, establishing a commercial base in the UAE has never been more straightforward. Forward-thinking SMEs and micro-businesses, in particular, will benefit from advantageous setup costs. The UAQ Free Zone is of the future, where progressive companies – regardless of the sector in which they operate – can enjoy doing business in a safe, secure, and prosperous environment. With UAQ FTZ, the sky's the limit.

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

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