DWC FREE ZONE

DUBAI SOUTH FREE ZONE COMPANY

CLIENT GUIDE 2026

Company formation, logistics platform, 0% qualifying income regime and compliance

Professional company formation and ongoing corporate administration

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DWC / Dubai South Free Zone at a Glance

The business zone historically known as **Dubai World Central (DWC) Free Zone** operates today within **Dubai South**. Dubai South is the master development surrounding Al Maktoum International Airport, and its Free Zone / Business Hub provides company formation for international entrepreneurs, trading businesses, professional services, technology, e-commerce and logistics operations.

Topic	Current legal / practical position
Current identity	**DWC / Dubai South Free Zone**. Dubai World Central Corporation is the legal/corporate authority behind Dubai South.
Ownership	Dubai South currently confirms **100% foreign ownership** for Free Zone businesses.
Formation	The current Dubai South Business Hub process is digital and begins with a business-name check.
Licence speed	Dubai South states that a **trade licence can be issued within one business day**, subject to complete application and approvals.
Business sectors	Current official materials highlight e-commerce, trading, professional services, technology, consultancy and logistics, with specialised aviation/aerospace ecosystems also available.
Facilities	Business Park offices plus extensive logistics, warehousing, freight and aviation infrastructure across Dubai South.
Location	Strategic position around **Al Maktoum International Airport** with access to the Jebel Ali trade corridor.
Corporate Tax	Potential **0% UAE Corporate Tax on Qualifying Income** only where the entity is a **Qualifying Free Zone Person (QFZP)** and all federal conditions are met.
VAT	Standard UAE VAT is **5%**; mandatory registration for a UAE-resident business generally starts at AED 375,000 of taxable supplies/imports.

The Major Tax Benefit

0% Corporate Tax can be genuine - but only for Qualifying Income

A Dubai South Free Zone entity that satisfies the federal definition and conditions of a **Qualifying Free Zone Person** can benefit from **0% Corporate Tax on Qualifying Income**. The Free Zone licence itself does not make every type of income tax-free.

Non-qualifying income of a QFZP is generally taxed at **9%**, and profits attributable to a domestic or foreign permanent establishment are subject to the federal rules. Every Free Zone entity must register and file a Corporate Tax return whether or not it is a QFZP.

Key Benefits for International Clients

- 100% foreign ownership.
- Potential 0% Corporate Tax on Qualifying Income for a QFZP.
- Digital Free Zone incorporation and published one-business-day licence capability.
- Location beside Al Maktoum International Airport.
- Strong access to Jebel Ali Port and multimodal air-land-sea logistics.
- Business Park, logistics, warehousing and aviation infrastructure.
- Suitable ecosystem for trading, e-commerce, technology, consultancy, professional services and logistics.
- UAE residence-visa, banking and operational infrastructure subject to the selected package and approvals.

Company Structure & Licensing

Dubai South's current Business Setup page continues to use the **DWC LLC** terminology for the Free Zone limited-liability company route and also refers to freelancer licensing. The exact legal form, shareholder configuration, capital, officer requirements and licence wording should be taken from the current incorporation documents issued for the selected Dubai South district/package.

Why no unverified minimum capital is printed

The accessible current official Dubai South public materials reviewed for this guide do not provide a reliable universal 2026 minimum share-capital figure applicable to every DWC/Dubai South Free Zone company. BRIS therefore does not repeat older figures from commercial formation-agent websites.

Business Activities & Ecosystems

Dubai South's current official materials identify a broad Free Zone business base including **e-commerce, trading, professional services, technology, consultancy and logistics**. The Logistics District offers warehousing and freight infrastructure adjacent to Al Maktoum International Airport, while the Mohammed Bin Rashid Aerospace Hub is the specialised Free Zone platform for aviation, MRO, private aviation and related industries.

Facilities

The Business Park provides flexible office solutions. The wider Dubai South development also provides logistics and freight facilities, warehouses and specialised aviation premises. Facility selection affects operational substance, visa capacity and total annual cost.

Ordinary UAE Corporate Tax

Where QFZP treatment does not apply, the ordinary UAE Corporate Tax framework generally provides **0% on taxable income up to AED 375,000 and 9% on taxable income above AED 375,000**. This first 0% band is a general taxable-income threshold and is legally different from the Free Zone 0% rate.

QFZP - Core Conditions

Federal rules require a QFZP to maintain **adequate substance in the UAE**, derive Qualifying Income, comply with the arm's-length principle and transfer-pricing requirements, prepare audited financial statements, satisfy the de minimis requirement and not elect to be taxed under the ordinary regime in full.

De Minimis Rule

Non-qualifying revenue must not exceed the lower of **AED 5,000,000** and **5% of total revenue** for the relevant tax period. Failure to satisfy QFZP conditions can result in loss of QFZP status for the relevant period and subsequent statutory periods.

2025 Qualifying Activities

Ministerial Decision No. 229 of 2025 currently includes specified manufacturing and processing, trading of Qualifying Commodities, holding shares/securities for investment, qualifying shipping, regulated reinsurance/fund/wealth-management activities, headquarters and treasury/financing services to related parties, aircraft financing/leasing, distribution from a Designated Zone, logistics and ancillary activities.

Why Dubai South Is Particularly Relevant to Qualifying Activities

Dubai South's logistics and aviation infrastructure can align commercially with federal Qualifying Activities such as **logistics services, aircraft financing/leasing, manufacturing/processing and qualifying distribution**. However, the actual entity, geographical area, activity, customer and transaction must still satisfy the Corporate Tax rules; location alone is not enough.

Excluded Activities

Federal exclusions remain important, including many transactions with natural persons, banking, specified insurance and finance/leasing activities, certain immovable-property income and non-qualifying intellectual-property income.

Small Business Relief - August 2026 Update

The Ministry of Finance extended Small Business Relief through tax periods ending on or before **31 December 2029**. The annual revenue threshold remains **AED 3 million**. A **QFZP cannot elect for Small Business Relief**, so a small Dubai South business should compare QFZP treatment with the ordinary Corporate Tax/SBR route.

Formation Process

1. Choose business activity **2.** Check/reserve business name **3.** Choose Free Zone company/package/facility **4.** Submit digital KYC/application **5.** Sign incorporation/lease documents **6.** Licence issuance **7.** Corporate Tax, VAT, banking and visas

Dubai South's current Free Zone information states that incorporation can be completed digitally and that a trade licence may be issued within one business day. Actual completion depends on the selected activity, applicant KYC, facility, payment and any external approvals.

Typical Client Documents

- Passport copies for shareholders, manager/directors and UBOs.
- UAE visa/Emirates ID where applicable.
- Recent residential address evidence.
- Proposed company name, business activities and business profile.
- Shareholding and beneficial-ownership structure.
- For corporate shareholders: certificate/extract, constitutional documents, directors and complete ownership chain.
- Corporate resolutions and powers of attorney where required.
- Source-of-funds/source-of-wealth and expected business-flow information.
- Lease/facility documents for the selected Dubai South premises.
- Additional approvals for aviation, regulated, industrial or other specialised activities.

Corporate Tax Registration & Filing

The Federal Tax Authority confirms that **all Free Zone entities must register and file a Corporate Tax return**, irrespective of whether they qualify for the 0% QFZP regime. Returns and Corporate Tax due are generally filed/paid within **9 months from the end of the relevant tax period**.

Audited Financial Statements

Mandatory where QFZP status is claimed

A Free Zone Person must prepare and maintain **audited financial statements regardless of revenue** as a condition of QFZP status. This annual compliance cost should be included when comparing a 0% QFZP structure with ordinary Corporate Tax / Small Business Relief.

Accounting & Transfer Pricing

The company must maintain accounting records supporting its tax position and the calculation of Qualifying and non-qualifying income. Related-party and connected-person transactions are subject to the UAE arm's-length principle and transfer-pricing requirements.

VAT

The UAE standard VAT rate is **5%**. Mandatory registration generally applies when taxable supplies/imports exceed or are expected to exceed **AED 375,000** under the statutory tests; voluntary registration is available from AED 187,500.

Annual / Ongoing Compliance Checklist

- Renew Dubai South Free Zone licence and facility/lease on time.
- Maintain current shareholders, officers, authorised signatories and UBO information.
- Maintain Corporate Tax registration and file the annual CT return.
- Test QFZP status and each revenue stream annually.
- Maintain adequate UAE substance for the activities performed.
- Prepare audited financial statements if QFZP status is claimed.
- Monitor the AED 5m / 5% de minimis test.
- Maintain transfer-pricing and related-party compliance.
- Register/file VAT where applicable.
- Maintain establishment card and employee/residence visas where used.
- Maintain customs, logistics, aviation and sector approvals where relevant.
- Maintain bank AML/KYC and evidence of genuine commercial operations.

Strategic Logistics & Aviation Position

Dubai South is built around the Al Maktoum International Airport corridor. Its Logistics District provides warehousing and freight infrastructure with access to the Jebel Ali corridor, while the Mohammed Bin Rashid Aerospace Hub provides a specialised Free Zone environment for airlines, private aviation, MRO, aerospace manufacturing and associated services.

2026 Business Support Environment

Dubai South has continued expanding support for Free Zone SMEs, including banking/payment partnerships, logistics services, business software/compliance support and 2026 incentives supporting new formations and licence renewals. These are commercial support measures, not Corporate Tax exemptions.

Why DWC / Dubai South Can Be Attractive

100% foreign ownership | Potential **0% CT on Qualifying Income** for a QFZP | Digital setup and published one-business-day licence capability | Al Maktoum Airport location | Jebel Ali/logistics connectivity | MBR Aerospace Hub | Trading, e-commerce, technology, consultancy and professional-services ecosystem.

How BRIS Group Supports You

Structure & tax review - assess activity, facility and QFZP route. **Formation** - coordinate name, application, corporate documents and licence. **KYC / UBO** - ownership and source-of-funds documentation. **Corporate Tax** - CT registration, 0%/9%, QFZP and Small Business Relief review. **Accounting / audit** - bookkeeping, audit and transfer pricing. **VAT / customs / visas** - coordinate registrations and approvals. **Banking & maintenance** - banking package and annual renewals.

Professional Fees & Quotations

Tailored quotation

Dubai South charges vary by activity, licence, facility, visa allocation and package. BRIS professional fees, Dubai South/government charges, accounting/audit, Corporate Tax/VAT, attestations, visas, customs, banking and optional services are quoted separately.

Important Legal & Tax Notes

DWC / Dubai South Free Zone does not automatically mean 0% Corporate Tax. The 0% Free Zone rate applies only to Qualifying Income of a Qualifying Free Zone Person. Actual treatment depends on the entity, geographical status, activities, customers, counterparties, substance, permanent establishments, property/IP income and related-party dealings.

Official Sources Reviewed

Dubai South / Dubai World Central Corporation: current Business Setup, Free Zone/Business Park, Logistics District and MBR Aerospace Hub materials, plus 2026 official newsroom information. **UAE Ministry of Finance:** federal Corporate Tax framework; Ministerial Decision No. 229 of 2025; Ministerial Decision No. 131 of 2026 extending Small Business Relief through tax periods ending by 31 December 2029. **Federal Tax Authority:** Free Zone Persons guidance, QFZP conditions, audit, CT-return and VAT guidance.

Correct BRIS tax positioning

A qualifying Dubai South Free Zone company can benefit from **0% UAE Corporate Tax on Qualifying Income** where all QFZP requirements are satisfied. Foreign customers alone do not make profits tax-free.

Terminology note

Clients still commonly use **DWC Free Zone**. Current official branding is **Dubai South**, while Dubai World Central Corporation remains the underlying corporate/authority name and DWC terminology continues in official contexts.

Information reviewed: August 2026. Current legal form, capital for the selected setup, package pricing, visas, exact designated-zone/QFZP treatment, approvals and VAT treatment should be reconfirmed before filing.

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