DUBAI AIRPORT FREEZONE

FREEZONE COMPANY (FZCO)

CLIENT GUIDE 2026

DAFZ company formation, 0% qualifying income regime and annual compliance

Professional company formation and ongoing corporate administration

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Dubai Airport Freezone Company at a Glance

Dubai Airport Freezone (DAFZ) is a Dubai free zone located next to Dubai International Airport. Its current business-setup framework offers **Freezone Company (FZCO)**, **Public Limited Company (PLC)** and **Branch** structures, together with office, warehouse/industrial and cold-storage facilities.

Topic	Current legal / practical position
Principal private form	**Freezone Company (FZCO)** with limited liability.
Shareholders	FZCO: **1-50 shareholders**, individual or non-individual/corporate.
Minimum share capital	Current DAFZ setup page: **AED 1** minimum share capital for an FZCO.
Foreign ownership	DAFZ permits **100% foreign ownership**.
Branch	A foreign company may establish a DAFZ branch; no share capital is required.
PLC	Public limited company option; no limit on shareholders and designed for companies considering public securities offerings.
Facilities	Office, warehouse/industrial and cold-storage options.
Corporate Tax	Potential **0% UAE Corporate Tax on Qualifying Income** only if the DAFZ entity is a **Qualifying Free Zone Person (QFZP)** and continuously satisfies federal conditions.
VAT	Standard UAE VAT is **5%**; mandatory registration for a UAE-resident business generally begins at AED 375,000 of taxable supplies/imports.

The Major Tax Benefit

0% Corporate Tax on Qualifying Income - subject to QFZP conditions

A DAFZ company can obtain a genuine **0% Corporate Tax rate on Qualifying Income** if it qualifies as a QFZP. This is not an automatic exemption for all DAFZ companies or all foreign-source income. Non-qualifying taxable income is generally subject to the ordinary UAE Corporate Tax treatment.

Federal conditions include adequate UAE substance, Qualifying Income, transfer-pricing compliance, audited financial statements and compliance with the de minimis limit for non-qualifying revenue.

Key Benefits for International Clients

• 100% foreign ownership and full repatriation framework.

• Potential 0% Corporate Tax on Qualifying Income for a QFZP.

• Strategic location next to Dubai International Airport.

• FZCO with 1-50 shareholders and AED 1 minimum share capital.

• Trade, service, industrial, general trading, e-commerce and specialised licence options.

• Office, warehouse/industrial and cold-storage infrastructure.

• Dual-licence route with Dubai DET available for qualifying DAFZ companies.

• Established free-zone regulatory, UBO and corporate-governance framework.

Company Types & Licence Options

Topic	Current legal / practical position
FZCO	1-50 individual or corporate shareholders; minimum share capital AED 1.
PLC	Public limited company with limited liability; no limit on shareholders; minimum capital under DAFZ regulations is AED 250,000.
Branch	Branch of an existing foreign company; no separate share capital.
Trade Licence	Import, export, re-export, distribution and storage of specified products.
Service Licence	Permits the services specified in the licence.
Industrial Licence	Light manufacturing, packaging and assembling.
General Trading	General trading including import, export, re-export, storage and distribution.
Other current options	E-commerce, Single-Family Office, Multi-Family Office, Dual Licence with DET and Talent Pass are included in DAFZ's current setup information.

Corporate & UBO Requirements

DAFZ's implementing regulations require corporate governance, shareholder and beneficial-owner records. The regulations require declaration of ultimate beneficial owners, including identity, address, nationality, birth details, occupation and beneficial-ownership percentage, and require notification of changes within the prescribed period.

Corporate Shareholder Documents

DAFZ's current Investor Guide lists incorporation/registration certificates, constitutional documents and shareholder/parent-company resolutions among the documents required for non-individual shareholders and branches. Foreign corporate documents are subject to the notarisation/attestation requirements specified by DAFZ.

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% above AED 375,000**. The AED 375,000 band is a general taxable-income threshold, not a special DAFZ exemption.

Qualifying Free Zone Person - Core Conditions

The Federal Tax Authority states that a QFZP must maintain **adequate substance in the UAE**, derive Qualifying Income, comply with transfer-pricing rules and relevant documentation, and not elect to be subject to Corporate Tax in full. Current rules also require audited financial statements.

De Minimis Rule

Non-qualifying revenue must not exceed the lower of **AED 5,000,000** and **5% of total revenue**. Failure to satisfy QFZP conditions can cause loss of QFZP status from the beginning of the relevant tax period and for the following four tax periods.

2025 Qualifying-Activities Update

Ministerial Decision No. 229 of 2025 replaced the earlier 2023 decision. The updated list covers specified manufacturing/processing, holding shares/securities for investment, qualifying shipping, regulated reinsurance/fund/wealth-management services, headquarters and treasury/financing services to related parties, aircraft financing/leasing, logistics, qualifying commodity trading and qualifying distribution, plus ancillary activities.

Excluded Activities

Important exclusions remain, including many transactions with natural persons, banking, specified insurance and finance/leasing activities, certain immovable-property income and non-qualifying intellectual-property income. Each DAFZ revenue stream must therefore be classified rather than assuming that foreign customers produce 0% tax.

Small Business Relief - August 2026 Update

The Ministry of Finance extended Small Business Relief through tax periods ending on or before **31 December 2029**, retaining the AED **3 million revenue threshold**. However, a **QFZP cannot elect for Small Business Relief**. A small DAFZ company outside QFZP status should therefore compare the ordinary CT/SBR route with the Free Zone regime.

Formation Process

1. Choose licence **2.** Choose FZCO/PLC/Branch **3.** Choose facility **4.** Initial application and KYC **5.** Corporate documents/approvals **6.** Sign lease **7.** Licence/incorporation **8.** Banking, visas, Corporate Tax and VAT

DAFZ describes its setup journey as three core choices: licence, company type and space. Its current Investor Guide provides separate initial-approval and registration document lists for individual FZCO, corporate FZCO/PLC and branch applicants.

Typical Client Documents

• Online DAFZ application and company/business profile.

• Passport copies and identification for individual shareholders, manager/directors and UBOs.

• Personal bank statements and business plan where requested by DAFZ for the applicant category.

• For corporate shareholders: certificate of incorporation/registration, constitutional documents and ownership chain.

• Corporate resolutions approving the DAFZ company/branch and appointing the manager/authorised signatory.

• Audited financial statements where required for the relevant corporate applicant/parent.

• Notarisation and attestation of foreign corporate documents where required by DAFZ.

• Source-of-funds/source-of-wealth and additional AML/KYC evidence requested by DAFZ, BRIS or banks.

Corporate Tax Registration & Filing

DAFZ companies are within the UAE Corporate Tax framework and must register/file as required. Corporate Tax returns and any tax due are generally filed/paid within **9 months after the end of the relevant tax period**.

Audited Financial Statements

Mandatory for QFZP treatment

Under Ministerial Decision No. 229 of 2025 and the current Free Zone Corporate Tax rules, a QFZP must prepare **audited financial statements**. This annual cost should be built into the structure from incorporation.

Accounting & Transfer Pricing

The company must keep records supporting taxable income and the split between Qualifying and non-qualifying income. Related-party and connected-person transactions must comply with the UAE arm's-length principle and transfer-pricing requirements.

VAT

The standard UAE VAT rate is **5%**. For a UAE-resident business, mandatory registration generally applies when taxable supplies and imports exceed AED **375,000** over the previous 12 months or are expected to exceed that threshold in the next 30 days. Voluntary registration begins at AED 187,500 under the statutory tests.

Annual / Ongoing Compliance Checklist

• Renew DAFZ licence and facility/lease on time.

• Maintain current shareholders, manager/directors, authorised signatories and UBO information.

• Maintain Corporate Tax registration and file annual CT return.

• Test QFZP status and each income stream annually.

• Maintain adequate UAE substance for relevant Qualifying Activities.

• Prepare audited financial statements where QFZP status is claimed.

• Monitor the AED 5m / 5% de minimis limit.

• Maintain transfer-pricing and related-party compliance.

• Register/file VAT where applicable.

• Maintain immigration/establishment-card and employee visa compliance where used.

• Maintain customs/import-export registrations and sector approvals where relevant.

• Maintain AML/KYC and banking evidence of genuine business activity.

Banking & Operational Setup

Banks commonly require the DAFZ licence, incorporation/constitutional documents, lease, shareholder/manager/UBO records, source of funds/wealth, business plan, contracts, expected turnover and jurisdictions of activity. Banking flows should match the licensed activities and intended QFZP tax treatment.

Why DAFZ Can Be Attractive

Topic	Current legal / practical position
Airport location	Direct proximity to Dubai International Airport and international logistics links.
100% ownership	International investors can fully own the DAFZ company.
0% qualifying tax	QFZP can obtain 0% Corporate Tax on Qualifying Income.
Flexible ownership	FZCO permits 1-50 shareholders.
AED 1 FZCO capital	Current DAFZ setup page states AED 1 minimum share capital.
Facilities	Office, warehouse/industrial and cold-storage options.

How BRIS Group Supports You

Structure & tax review - Assess FZCO/Branch/PLC, licence/activity selection and whether the intended revenue can qualify for the QFZP 0% regime.

DAFZ formation - Coordinate initial approval, shareholder documents, corporate resolutions, registration and licence issuance.

Corporate shareholder documentation - Coordinate registry records, constitutional documents, notarisation/attestation and full ownership chain.

KYC / UBO - Coordinate shareholder, manager/director, beneficial-owner and source-of-funds/wealth due diligence.

Corporate Tax - Coordinate CT registration, QFZP analysis, 0%/9% treatment and Small Business Relief review where relevant.

Accounting / audit - Coordinate bookkeeping, audited financial statements and transfer-pricing support.

VAT / customs / visas - Coordinate VAT, customs/import-export and residence/employee immigration services where required.

Banking & annual maintenance - Prepare banking/KYC documentation and coordinate licence renewal and ongoing administration.

Professional Fees & Quotations

Tailored quotation

This brochure is informational and is not a fee quotation. DAFZ costs depend on licence, company type, facility, visa allocation and selected services. BRIS Group professional fees, DAFZ/government charges, accounting/audit, Corporate Tax/VAT, attestations, visas, banking support and optional services are quoted separately.

Important Legal & Tax Notes

DAFZ is not automatically 0% Corporate Tax. The 0% Free Zone rate applies to **Qualifying Income of a Qualifying Free Zone Person**. Non-qualifying income and companies that fail the QFZP conditions are subject to the ordinary UAE Corporate Tax framework. Licence wording, customers, counterparties, activities, substance, permanent establishments, property/intangible income and related-party dealings can change the result.

Official Sources Reviewed

Dubai Airport Freezone: current Business Setup Process; 2026 Investor Guide; DAFZ Implementing Regulations; current licence/company/facility information and UBO provisions. DAFZ confirms 100% foreign ownership, FZCO with 1-50 shareholders, AED 1 minimum FZCO capital, Branch with no capital, and current licence/facility options.

UAE Ministry of Finance: Federal Corporate Tax framework; Ministerial Decision No. 229 of 2025 on Qualifying and Excluded Activities; Ministerial Decision No. 131 of 2026 extending Small Business Relief through tax periods ending on or before 31 December 2029.

Federal Tax Authority: Free Zone Persons Corporate Tax guidance, QFZP conditions, VAT registration guidance and current registration thresholds.

Correct BRIS tax positioning

The accurate commercial message is: **DAFZ can provide 0% UAE Corporate Tax on Qualifying Income where the company is a QFZP and satisfies all federal conditions.** It is not correct to promise 0% merely because a company is incorporated in DAFZ or trades internationally.

Information reviewed: August 2026. DAFZ package prices, exact facility/visa costs, external approvals, activity classification, QFZP eligibility and VAT treatment should be reconfirmed for the client's actual business before filing.

PREPARED BY BRIS GROUP

Dubai Airport Freezone (DAFZ) FZCO - Client Guide 2026

Professional incorporation and corporate administration for international clients.