DUBAI OFFSHORE

JAFZA OFFSHORE COMPANY

CLIENT GUIDE 2026

International holding and business structure, UAE Corporate Tax and annual compliance

Professional company formation and ongoing corporate administration

BRIS GR LIMITED | 66 Paul Street, London EC2A 4NA, United Kingdom

general.info@bris-group.com | +44 207 206 2487 | +44 775 479 5814 | bris-group.com

Dubai Offshore Company at a Glance

For this guide, **Dubai Offshore** means a **Jebel Ali Free Zone Authority (JAFZA) Offshore Company** incorporated under the **JAFZA Offshore Companies Regulations 2023**. JAFZA is the official Dubai offshore company registry and requires new registrations to be processed through a JAFZA Registered Agent.

Topic	Current legal / practical position
Legal form	Limited liability Offshore Company registered under the JAFZA Offshore Companies Regulations 2023.
Shareholders	Minimum **one shareholder**; individual, corporate or a combination. JAFZA states there is no maximum shareholder limit.
Director	At least **one director**; the 2023 Regulations also permit an approved nominee director.
Secretary	Every Offshore Company must appoint a **secretary**.
Registered office	Must be maintained in accordance with the Regulations; commonly the Dubai office of the JAFZA Registered Agent.
Registered Agent	Required unless the Offshore Company maintains an office in the Zone; new registrations are processed through JAFZA Registered Agents.
Activities	Lawful business as permitted by the Registrar. Appropriate licences/permits are required to conduct business in JAFZA or another jurisdiction.
Processing	JAFZA's current New Offshore Company service states **5-7 working days**.
Official registration fee	Current JAFZA service page: **AED 10,000** registration fee, plus AED 50 per specimen signature and applicable delivery charges.
Corporate Tax	A JAFZA Offshore Company is UAE-incorporated and therefore a **Resident Juridical Person** for federal Corporate Tax purposes.

The Critical 2026 Tax Position

Dubai Offshore is not automatically tax-exempt under the federal Corporate Tax system

Older JAFZA materials describe offshore companies as tax-exempt and JAFZA still lists a 'Tax-Exemption Letter' among available company letters. However, the UAE federal Corporate Tax regime now applies to juridical persons incorporated under UAE law. BRIS should therefore **not promise automatic 0% Corporate Tax merely because the company is JAFZA Offshore**.

For an ordinary taxable person, the federal rates are generally **0% on taxable income up to AED 375,000 and 9% above AED 375,000**. Other reliefs can produce a zero liability where their specific conditions are met.

Key Benefits for International Clients

- 100% international ownership.
- Official Dubai offshore company framework under JAFZA Regulations 2023.
- No ordinary operating free-zone licence is needed merely to exist as an offshore company.
- Permitted to hold UAE bank accounts and stakes in UAE operating companies under the Regulations.
- May own property in designated UAE freehold areas approved by JAFZA.
- Useful for international holding, investment and permitted cross-border business structures.
- Continuation/redomiciliation mechanisms are available under JAFZA rules.
- Current JAFZA registration target of 5-7 working days through a Registered Agent.

Corporate Requirements

Topic	Current legal / practical position
Shareholders	One or more; shares must be fully paid when allotted.
Directors	At least one director; directors must satisfy the Regulations' eligibility rules.
Secretary	Mandatory.
Registered office	Office in JAFZA, approved owned freehold property, or Registered Agent's Dubai office, as permitted by Regulation 31.
Registered Agent	Authority-approved Registered Agent; mandatory unless the company maintains an office in the Zone.
Corporate records	Registers of members, directors and secretary plus statutory records must be maintained.
Accounting records	Must be kept and retained for **10 years** under the 2023 Regulations.
Audit	Accounts must be prepared, examined and reported on by auditors within **6 months after the end of the financial period**.

Permitted UAE Connections

Regulation 14 expressly allows a JAFZA Offshore Company to engage UAE legal/accounting/management advisers, keep books and records in the UAE, hold director/member meetings in the UAE, hold an approved registered-office lease, own property in designated UAE freehold areas, own a stake in another UAE operating company and maintain a UAE bank account.

Operating business in the UAE requires separate licensing

The Offshore Company must obtain the appropriate licence or permit from the competent authority to carry out business activities in JAFZA or another jurisdiction. The offshore certificate itself should not be treated as an ordinary UAE operating trade licence.

Share Capital

The 2023 Regulations require shares to be fully paid when allotted and allow authorised/issued capital to be amended. The current official JAFZA formation page does **not** prescribe a universal minimum capital amount for the Offshore Company, so this brochure does not invent one. Capital should be set in the Memorandum/Articles and confirmed with the Registered Agent for the intended structure.

Corporate Tax - Resident Juridical Person

The Federal Tax Authority states that a juridical person incorporated under UAE law - including under applicable Free Zone regulations - is a **Resident Person**. A JAFZA Offshore Company is therefore within the UAE Corporate Tax framework even if its shareholders and customers are abroad.

Ordinary Corporate Tax Rates

For an ordinary taxable company, the headline rates are **0% on taxable income up to AED 375,000** and **9% on taxable income above AED 375,000**. This 0% band is not an offshore exemption.

Small Business Relief - Extended to 2029

On 7 August 2026, the UAE Ministry of Finance announced Ministerial Decision No. 131 of 2026 extending Small Business Relief to tax periods ending on or before **31 December 2029**. The annual revenue threshold remains **AED 3 million**. An eligible Resident Person that elects the relief is treated as not having derived taxable income for that period, subject to all statutory conditions and exclusions.

Could JAFZA Offshore Use the QFZP 0% Free Zone Regime?

The federal Free Zone regime is available only to a **Free Zone Person** within prescribed eligible areas that satisfies all QFZP conditions. Those include adequate UAE substance, Qualifying Income, transfer-pricing compliance and audited financial statements. Because a classic offshore structure often has limited operational substance, BRIS should **not assume QFZP status**. Eligibility should be confirmed for the exact JAFZA offshore vehicle and activities before relying on the 0% Qualifying Income regime.

Withholding Tax & Holding Relief

The UAE Corporate Tax framework currently applies a **0% withholding tax rate** to relevant payments. Qualifying dividends and capital gains from shareholdings may also benefit from the federal Participation Exemption where all statutory conditions are met.

Formation Process

1. Structure/tax review **2.** Appoint JAFZA Registered Agent **3.** KYC/UBO review **4.** Prepare application and Memorandum/Articles **5.** Submit through Dubai Trade/JAFZA **6.** Registration **7.** Banking, CT registration and annual compliance

JAFZA states that all interactions with its Offshore Section and document submissions for new offshore registrations must be conducted through a JAFZA Registered Agent.

Documents Required - Individual Shareholder

- Offshore application and Memorandum & Articles of Association.
- Letter appointing the Registered Agent.
- Passport copy for director(s) and secretary.
- Founder's details / CV.
- Shareholder passport copy and specimen signature.
- Proof of address and additional AML/KYC/source-of-funds evidence required by the agent or bank.

Documents Required - Corporate Shareholder

- Certificate of Registration / Formation.
- Certificate of Good Standing.
- Incumbency Certificate identifying the latest beneficiary shareholder.
- Memorandum & Articles or equivalent constitutional documents.
- Board resolution approving establishment of the JAFZA Offshore Company.
- Power of Attorney and passport/specimen signature of the POA holder.
- Foreign corporate documents notarised and UAE Embassy-attested as specified by JAFZA.
- Full UBO ownership chain and source-of-funds/source-of-wealth evidence.

Accounting & Audit

The 2023 Offshore Regulations require proper accounting records sufficient to show and explain transactions and disclose the company's financial position. Records must be retained for **10 years**. Directors must prepare accounts in accordance with Registrar-approved generally accepted accounting principles, and the company must appoint auditors.

Six-month accounts/audit deadline

Within **6 months after the end of the financial period**, the accounts must be prepared, examined and reported upon by auditors and laid before a general meeting together with the auditors' report.

Corporate Tax Registration & Filing

A UAE Resident Juridical Person incorporated on or after 1 March 2024 is generally required to apply for Corporate Tax registration within **3 months from incorporation/establishment/recognition**. Corporate Tax returns and tax due are generally filed/paid within **9 months after the end of the relevant tax period**.

VAT

VAT depends on the company's actual UAE supplies and nexus. The standard UAE VAT rate is **5%**, with mandatory registration generally triggered at AED 375,000 of taxable supplies/imports under the statutory tests. An offshore company should obtain transaction-specific VAT analysis before making UAE supplies.

Annual / Ongoing Compliance Checklist

- Maintain JAFZA Registered Agent / compliant registered office.
- Maintain shareholder, director, secretary and UBO records.
- Maintain fully paid share capital and statutory registers.
- Prepare accounts and retain accounting records for 10 years.
- Appoint auditors and complete audited accounts within the regulatory timetable.
- Maintain Corporate Tax registration and file CT returns.
- Review Small Business Relief, 0% band, 9% rate and any QFZP claim annually.
- Maintain VAT registration/filing where applicable.
- Renew/pay current JAFZA offshore registration/agent charges as applicable.
- Maintain bank AML/KYC and source-of-funds evidence.
- Obtain separate licences/permits for regulated or UAE operating activities.
- Review foreign tax residence, PE, CFC and shareholder taxation annually.

Banking & Property

The 2023 Regulations expressly permit a UAE bank account and ownership of property in JAFZA-approved designated freehold areas. JAFZA also permits an Offshore Company owning qualifying designated freehold property to apply for a residency visa for members, subject to JAFZA eligibility requirements. Bank and property acceptance remain subject to the relevant institution/authority.

How BRIS Group Supports You

Structure & tax review - Assess whether JAFZA Offshore is preferable to a UAE Free Zone operating company, mainland company or another international holding vehicle.

Formation coordination - Coordinate incorporation through an approved JAFZA Registered Agent.

Corporate documents - Coordinate Memorandum/Articles, shareholder resolutions, corporate shareholder attestations and POAs.

KYC / UBO - Coordinate shareholder, director, secretary, beneficial-owner and source-of-funds/wealth documentation.

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

Accounting / audit - Coordinate bookkeeping, statutory accounts and annual audit requirements.

Banking / property - Prepare banking KYC/business-purpose documents and coordinate property-related corporate documentation where applicable.

Annual maintenance - Coordinate JAFZA agent services, corporate changes and ongoing compliance.

Professional Fees & Quotations

Tailored quotation

This brochure is informational and is not a fee quotation. The current official JAFZA formation service states an AED 10,000 registration fee plus specimen-signature/delivery charges. Registered Agent, annual JAFZA, audit/accounting, Corporate Tax/VAT, attestation, banking and BRIS professional fees are additional and quoted separately.

Important Legal & Tax Notes

Do not market JAFZA Offshore as automatically tax-free in 2026. Older JAFZA offshore content predates or does not fully reflect the federal Corporate Tax regime. The current federal rule is that a UAE-incorporated juridical person is a Resident Person for Corporate Tax. A zero liability can arise under the AED 375,000 0% band, an eligible Small Business Relief election, a statutory exemption/relief, or potentially QFZP treatment if all requirements genuinely apply.

Official Sources Reviewed

Jebel Ali Free Zone Authority: JAFZA Offshore Companies Regulations 2023; current New Offshore Company service; current JAFZA company-formation/offshore guidance; JAFZA Guidebook; offshore amendment/letter services.

UAE Ministry of Finance: Federal Decree-Law No. 47 of 2022 on Corporate Tax as amended through the current 2026 consolidated text; Free Zone Corporate Tax framework; Ministerial Decision No. 131 of 2026 extending Small Business Relief through tax periods ending on or before 31 December 2029.

Federal Tax Authority: Resident Juridical Person guidance; Corporate Tax registration timeframes; Free Zone Persons guidance; Corporate Tax and VAT guidance.

Why this brochure differs from older 'Dubai Offshore = 0% tax' marketing

JAFZA's website still contains older offshore material referring to tax exemption and offers a 'Tax-Exemption Letter' service. Those materials do not override the later federal Corporate Tax legislation. BRIS therefore uses the current federal tax law as the controlling basis for the 2026 tax analysis.

Information reviewed: August 2026. Current annual JAFZA/agent fees, permitted activities, property eligibility, visa eligibility, QFZP geographic/status eligibility and bank acceptance should be reconfirmed for the client's exact structure before incorporation.

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