JEBEL ALI FREE ZONE

JAFZA FREE ZONE COMPANY

CLIENT GUIDE 2026

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

Professional company formation and ongoing corporate administration

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Jebel Ali Free Zone Company at a Glance

Jebel Ali Free Zone (JAFZA), DP World's flagship free zone, is a major customs-bonded trade, industrial and logistics hub in Dubai. JAFZA provides operating Free Zone companies with business licensing, premises, customs/logistics infrastructure, visas and integrated regulatory services.

Topic	Current legal / practical position
Principal company forms	**FZE** - single shareholder. **FZCO** - multiple shareholders. JAFZA also offers Public Listed Company and Branch structures.
Ownership	JAFZA confirms **no foreign ownership restrictions**; international investors may own 100% of an FZE/FZCO.
Legal personality	FZE/FZCO are limited-liability entities with legal personality separate from their shareholder(s).
Facility	JAFZA states that every operating company formation requires a **leased facility**.
Licences	Trading, Service, Industrial and Logistics are core current licence types; JAFZA also publishes General Trading, Holding and other specialised options.
Digital setup	JAFZA states its company-formation and licensing process is **100% digital**.
Licence fees	Current official formation guide publishes licence fees starting at **AED 5,000**, depending on licence and activities; facility and formation costs are additional.
Dubai Unified License	From 2026, all Dubai businesses, including Free Zone businesses, are issued a **Dubai Unified License (DUL)**, which must be read with a valid active trade licence.
Corporate Tax	Potential **0% UAE Corporate Tax on Qualifying Income** only if the JAFZA entity is a **Qualifying Free Zone Person (QFZP)** and all federal conditions are satisfied.

The Major Tax Benefit

0% Corporate Tax can apply to Qualifying Income

A qualifying JAFZA Free Zone company can obtain **0% UAE Corporate Tax on Qualifying Income** under the federal Free Zone regime. The tax benefit is conditional: adequate UAE substance, Qualifying Income, transfer-pricing compliance, audited financial statements and the de minimis requirement must all be satisfied.

JAFZA is particularly relevant to federal Qualifying Activities such as manufacturing/processing, logistics, qualifying distribution and certain holding, shipping, treasury and related-party activities. The actual transaction must still meet the federal rules.

Key Benefits for International Clients

- 100% foreign ownership.
- Potential 0% Corporate Tax on Qualifying Income for a QFZP.
- Direct integration with Jebel Ali Port and DP World's global trade/logistics network.
- Trading, industrial, service and dedicated logistics licences.
- Warehouses, offices, land, showrooms, retail outlets, co-working and customised development.
- 100% digital formation/licensing process.
- Dubai Unified License provides a unified digital business identity from 2026.
- Large established industrial, manufacturing, distribution and logistics ecosystem.

Company Types & Licensing

Topic	Current legal / practical position
FZE	Single shareholder - individual or corporate.
FZCO	Multiple shareholders - individuals, corporate shareholders or a combination.
Branch	Branch of an existing company; legal personality remains with the parent.
Trading Licence	Import, export, distribution and permitted related trading/services; current fee tiers begin at AED 5,000.
Service Licence	Services specified on the licence; current official fee AED 5,000.
Industrial Licence	Manufacturing/production; current official fee tiers begin at AED 5,000.
General Trading	Broader trading scope; current official guide lists AED 15,000.
Logistics Licence	Storage, transportation, distribution, sorting, forwarding/clearing, order and inventory management; current official guide lists AED 15,000.
Holding Licence	Current official formation guide lists AED 30,000.

Share Capital

JAFZA's current public FAQ confirms that the historic pre-2017 capital requirements of AED 1,000,000 for FZE and AED 500,000 per FZCO shareholder are no longer the current starting rule. Because the accessible current official materials do not provide one universal minimum capital figure applicable to every modern FZE/FZCO/activity, BRIS should confirm the capital stated in the current formation documents for the selected setup rather than publish an outdated amount.

Corporate / UBO Documentation

Applications undergo qualification and security screening. Corporate shareholder formations require parent-company registration and constitutional records, resolutions and supporting documents. JAFZA also requires Ultimate Beneficial Owner/KYC information and may require notarisation/attestation and external regulatory approvals depending on the applicant and activity.

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 different from the Free Zone 0% rate on Qualifying Income.

QFZP - Core Conditions

A QFZP must maintain **adequate substance in the UAE**, derive Qualifying Income, comply with the arm's-length principle and transfer-pricing requirements, prepare audited financial statements, meet the de minimis requirement and satisfy all other federal conditions.

De Minimis Rule

Non-qualifying revenue must not exceed the lower of **AED 5,000,000** and **5% of total revenue** for the tax period. Failure to satisfy QFZP requirements can cause loss of QFZP status under the statutory rules.

2025 Qualifying Activities Update

Ministerial Decision No. 229 of 2025 replaced the earlier 2023 decision. Current Qualifying Activities include specified manufacturing/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, qualifying distribution, logistics and ancillary activities.

JAFZA's Strong Fit for Logistics, Manufacturing & Distribution

JAFZA's official licence framework and physical infrastructure directly support logistics, manufacturing and distribution businesses. These activities can align with federal Qualifying Activities, but **commercial alignment does not by itself guarantee QFZP treatment**; customer type, geographical requirements, substance and transaction details must be tested.

Excluded Activities & Small Business Relief

Federal Excluded Activities include many transactions with natural persons, banking, specified insurance/finance-leasing, certain immovable-property income and non-qualifying IP income. Small Business Relief was extended in August 2026 through tax periods ending on or before **31 December 2029**, with the AED **3 million revenue threshold**; however, a **QFZP cannot elect for Small Business Relief**.

Formation Process

1. Choose FZE/FZCO/Branch & licence **2.** Online expression of interest/application **3.** Qualification/security screening **4.** Select facility **5.** Submit documents/approvals **6.** Pay setup costs & sign lease **7.** Licence/DUL issuance **8.** CT, VAT, customs, visas and banking

JAFZA's current formation guide states that every company formation requires a leased facility and that the investor must select a suitable facility during setup. Plot, sublease, warehouse, industrial and other premises can trigger additional project/EHS documentation.

Typical Client Documents

- JAFZA online application and business/activity information.
- Passport and identification documents for individual shareholders, directors/managers and authorised signatories.
- UBO/KYC information and full ownership chain.
- Corporate shareholder certificate/extract and constitutional documents.
- Corporate resolution approving JAFZA formation and appointments.
- Business plan/project summary where required for the activity or facility.
- EHS declaration/forms for relevant warehouse, industrial, showroom, plot, retail or subleased facilities.
- Source-of-funds/source-of-wealth and additional compliance evidence.
- Third-party approvals for regulated products/activities where applicable.

Accounting, Audit & Corporate Tax

JAFZA companies must maintain proper financial records and comply with JAFZA's financial-statement submission framework. Separately, the federal Free Zone Corporate Tax regime requires **audited financial statements for a QFZP**. Accounting should support the split between Qualifying and non-qualifying income and all related-party transactions.

All Free Zone entities must register and file

The Federal Tax Authority requires Free Zone entities to register for Corporate Tax and file returns as applicable, even where the company expects a 0% QFZP result. Corporate Tax returns and payment are generally due within **9 months after the end of the tax period**.

VAT

The UAE standard VAT rate is **5%**. Mandatory registration generally applies where taxable supplies/imports exceed or are expected to exceed **AED 375,000** under the statutory tests; voluntary registration begins at AED 187,500. Free Zone/customs treatment should be reviewed separately for goods movements.

Customs & Trade Operations

JAFZA is a customs-bonded trade zone integrated with Jebel Ali Port. Import, export, re-export, manufacturing and distribution structures may benefit operationally from Free Zone/customs procedures, but customs duty, VAT and mainland-release consequences depend on the actual movement and destination of goods.

Annual / Ongoing Compliance Checklist

- Renew JAFZA trade licence and leased facility.
- Maintain Dubai Unified License and active trade licence.
- Maintain shareholders, officers, authorised signatories and UBO/KYC records.
- Maintain accounting records and submit financial information required by JAFZA.
- Maintain Corporate Tax registration and file annual CT return.
- Test QFZP status and each income stream annually.
- Maintain adequate UAE substance for Qualifying Activities.
- Prepare audited financial statements where QFZP status is claimed.
- Monitor AED 5m / 5% de minimis threshold.
- Maintain transfer-pricing/related-party compliance.
- Register/file VAT and customs declarations where applicable.
- Maintain visas, WPS, EHS and sector-specific approvals where relevant.

Facilities & Operational Platform

JAFZA's current portfolio includes **plots of land, warehouses, office space, showrooms, retail outlets, co-working/workstations, workers' residence and customised development**. Facility selection should match the company's actual activity, workforce, inventory and QFZP substance profile.

Why Jebel Ali Free Zone Can Be Attractive

Topic	Current legal / practical position
Global trade location	Direct relationship with Jebel Ali Port and DP World trade infrastructure.
100% ownership	No foreign ownership restrictions for FZE/FZCO investors.
0% qualifying tax	QFZP can obtain 0% Corporate Tax on Qualifying Income.
Industrial/logistics fit	Dedicated Industrial and Logistics licences and substantial physical infrastructure.
Flexible premises	Land, warehouses, offices, showrooms, retail, co-working and custom development.
Digital setup	JAFZA states company formation/licensing is 100% digital.
DUL 2026	Dubai Unified License provides a single authoritative digital business identity.
Broad activity scope	Trading, services, industrial, general trading, logistics, holding and specialist activities.

How BRIS Group Supports You

Structure & tax review - Assess FZE/FZCO/Branch, licence, facility and whether intended income can qualify for QFZP 0% treatment.

JAFZA formation - Coordinate application, corporate documents, qualification process, formation, licence and lease.

Corporate shareholder documents - Coordinate parent-company records, resolutions, ownership chain and notarisation/attestation.

KYC / UBO - Coordinate shareholders, management, beneficial owners and source-of-funds/wealth due diligence.

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

Accounting / audit - Coordinate bookkeeping, financial-statement compliance, audit and transfer-pricing support.

VAT / customs / visas - Coordinate VAT, customs, establishment/immigration, visas, WPS and external approvals.

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

Professional Fees & Quotations

Tailored quotation

This brochure is informational and is not a fee quotation. JAFZA costs depend on company type, licence, activities, facility, visas and operational requirements. Current official licence fees start at AED 5,000 for certain licence categories, but formation, facility, immigration, customs and other charges are additional. BRIS professional fees and all third-party/government costs are quoted separately.

Important Legal & Tax Notes

JAFZA does not automatically mean 0% Corporate Tax. The federal 0% Free Zone rate applies only to **Qualifying Income of a Qualifying Free Zone Person**. Non-qualifying income and companies that fail QFZP conditions are subject to the ordinary UAE Corporate Tax framework. Foreign customers alone do not create a 0% result.

Official Sources Reviewed

Jebel Ali Free Zone Authority: current Business Setup, Company Formation and Business Licence pages; New Company Formation guide; 2026 Investor Guide; JAFZA Rules & Regulations resources; 2026 Dubai Unified License guidance; current facilities/offerings information.

UAE Ministry of Finance: federal Corporate Tax framework and Ministerial Decision No. 229 of 2025 on Qualifying and Excluded Activities. Current federal rules were used for the Free Zone tax analysis rather than older promotional assumptions.

Federal Tax Authority: Free Zone Persons Corporate Tax guidance, QFZP conditions, audited-financial-statement requirements, Corporate Tax filing and VAT guidance.

Correct BRIS tax positioning

The accurate message is: **a JAFZA Free Zone company can benefit from 0% UAE Corporate Tax on Qualifying Income when it is a QFZP and satisfies every federal condition.** JAFZA's logistics, manufacturing and distribution platform can be particularly suitable for activities recognised by the federal Free Zone regime.

Information reviewed: August 2026. Current formation charges, capital stated in the selected company documents, facility pricing, visas, exact QFZP/designated-zone treatment, customs consequences and activity approvals should be reconfirmed before filing.

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