BRIS GROUP

RAKEZ FREE ZONE

FZ-LLC COMPANY FORMATION

CLIENT GUIDE 2026

Formation, licensing, 0% qualifying income, audit and annual compliance

Professional UAE company formation and ongoing corporate administration

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RAKEZ Free Zone FZ-LLC at a Glance

A **Free Zone Limited Liability Company (FZ-LLC)** established with **Ras Al Khaimah Economic Zone (RAKEZ)** is a UAE juridical person licensed to carry on approved activities from the RAKEZ free zone. It is governed by the applicable RAKEZ Companies Regulations and UAE federal legislation, including the Corporate Tax Law, VAT rules, AML/CFT and beneficial ownership requirements.

Topic	Current position
Ownership	100% foreign ownership is permitted; no UAE national shareholder is required for a RAKEZ free zone FZ-LLC.
Shareholders	RAKEZ currently permits **1 to 50 shareholders** in an FZ-LLC; shareholders may be individuals or corporate entities.
Manager	RAKEZ requires a natural-person manager; its FAQ states that a company cannot have more than one manager.
Licence	The company must hold a valid RAKEZ licence covering its approved activities.
Facility	A RAKEZ free zone entity requires an appropriate RAKEZ facility/registered address package according to its activity and visa needs.
Capital	Standard minimum share capital is **AED 10,000**, divided into shares with a minimum par value of AED 1,000; higher activity-specific capital can apply.
Tax	A RAKEZ company is **not automatically tax-free**. A Qualifying Free Zone Person may obtain **0% UAE Corporate Tax on Qualifying Income**; other taxable income can be subject to 9% under the Corporate Tax Law.

Key Benefits for International Clients

- 100% foreign ownership and full repatriation of profits/capital, subject to banking and applicable law.
- UAE legal entity with access to the UAE banking, logistics and business environment.
- A wide choice of commercial, services, e-commerce, general trading, industrial, media, educational and professional licences, subject to activity approval.
- Investor/partner residence visas can be available; RAKEZ confirms shareholders are not required to hold a RAKEZ visa.
- A Qualifying Free Zone Person can benefit from **0% Corporate Tax on Qualifying Income** if all statutory conditions are continuously met.
- No customs duty within the free zone on qualifying free-zone movements/re-export arrangements, subject to customs rules.
- Flexible facilities, including coworking/flexi and office/industrial solutions depending on the business.
- Limited liability: shareholder liability is generally limited to the shareholder's participation in the company capital.

Important: 0% Tax Is Conditional - Not Automatic

RAKEZ Free Zone does not mean every foreign transaction is taxed at 0%

Under the UAE Corporate Tax regime, a Free Zone Person must qualify as a **Qualifying Free Zone Person (QFZP)** and the income itself must be **Qualifying Income**. Core conditions include adequate substance in the UAE, qualifying income, transfer-pricing compliance/documentation, audited financial statements and not electing into the ordinary Corporate Tax regime. The statutory de minimis rule for non-qualifying revenue must also be respected.

Therefore, unlike a classic territorial/offshore jurisdiction, it is **not correct** to say that a RAKEZ FZ-LLC pays 0% simply because its owners and clients are outside the UAE. The transaction and activity must fall within the Free Zone Corporate Tax rules.

Corporate Tax Rates

Topic	Current position
Qualifying Income	**0%** for a Qualifying Free Zone Person, subject to all conditions in the Corporate Tax Law and implementing decisions.
Non-Qualifying Income	Income not eligible for the Free Zone 0% regime is generally subject to the applicable **9%** Corporate Tax treatment for a QFZP, subject to the detailed statutory rules.
CT registration	All UAE Free Zone entities must register for Corporate Tax and file a Corporate Tax return, whether or not they qualify for the 0% rate.
Tax return deadline	Generally within **9 months** after the end of the relevant Tax Period.
Audit	All Qualifying Free Zone Persons must prepare and maintain **audited financial statements**, irrespective of revenue.

Topic	Current position
Transfer pricing	The arm's-length principle applies and the relevant transfer-pricing documentation must be maintained where required.

Formation Requirements

Topic	Current position
Trade name	Proposed name must be approved by RAKEZ and comply with the trade-name rules.
Business activity	Select approved activity/activities and corresponding licence type. Some activities require external regulator approval or a business plan.
Shareholder(s)	1-50 individual and/or corporate shareholders, subject to pre-approval and KYC.
Manager	One natural-person manager; KYC and, where relevant, UAE immigration documents/NOC are required.
Memorandum	RAKEZ Memorandum of Association is issued/executed; amendments to the template require RAKEZ review and approval.
Facility	Select a qualifying RAKEZ facility/lease package appropriate for licence and visa requirements.
UBO	Ultimate Beneficial Owner declaration and supporting identification are required.
Immigration	E-channel/immigration establishment file and visas are additional steps where residence visas are required.

Share Capital - AED 10,000 Standard Minimum

RAKEZ states that the standard minimum share capital for an FZ-LLC is **AED 10,000**, with each share valued at AED 1,000. Certain regulated/special activities require higher minimum capital - for example industrial, logistics, insurance, investment, real estate, broadcasting and specified education/media activities.

Does the capital have to be paid?

The RAKEZ Companies Regulations provide that the Authority may waive the requirement for share capital to be fully paid up. Otherwise, the Regulations contemplate depositing the capital for the company under formation with a UAE-licensed bank unless RAKEZ specifically approves otherwise. **Do not tell a client that AED 10,000 never needs to be paid.** BRIS Group will confirm the live RAKEZ requirement for the selected activity/package before incorporation.

Documents Required - Individual Shareholder

- Colour passport copy of shareholder(s), manager and director (if applicable).
- UAE visa/entry stamp and Emirates ID where applicable.
- NOC where required for a UAE-resident shareholder/manager.
- UBO Declaration Form and passport copy of the UBO.
- Application for registration and licensing and other RAKEZ forms.
- Business plan where required for the selected activity.
- Residential/contact information and compliance information requested for KYC/AML.

Corporate Shareholder - Additional Documents

- Board/shareholder resolution approving the RAKEZ company and appointing the general manager.
- Certificate of Registration/Incorporation and valid trade licence where applicable.
- Memorandum and Articles of Association.
- Commercial Register/extract.
- Certificate of Good Standing or current registry extract, as applicable.
- Certificate of Incumbency, where applicable.
- Ownership chart through to the natural-person UBO(s).
- Legalisation/attestation of foreign corporate documents as required by RAKEZ/UAE authorities.

Before legalisation

Send scans to BRIS Group first. We will confirm which foreign documents must be notarised, apostilled/consularly legalised and UAE-attested before the client incurs certification costs.

Formation Process & Documents Received

1. Activity/tax review **2.** RAKEZ pre-approval/KYC **3.** Trade name **4.** Facility/package **5.** Documents/payment **6.** Licence & registration set **7.** Immigration/visa if required

Typical company set: RAKEZ business licence/e-licence; Certificate of Incorporation/Registration as applicable; Memorandum of Association; partner/shareholder list; share/capital information; facility/lease documentation; and bank letter/registration set supplied by RAKEZ. Immigration establishment/e-channel documents and residence visas are issued separately where ordered.

Mainland UAE Business - Important Restriction

RAKEZ states that a free zone entity cannot simply conduct business activities from premises outside the RAKEZ free zone. For trading into the UAE mainland, the company must use a legally permitted route - for example an appropriately licensed agent, representative, distributor or other structure - and comply with the current UAE licensing and Corporate Tax rules.

International clients should plan the revenue model before formation

Whether revenue is from other Free Zone Persons, foreign customers, mainland customers, immovable property, intellectual property or an excluded activity can materially change the 0% QFZP result. The licence should therefore be selected together with the intended customer/revenue model.

VAT

Free zone status does not automatically exempt a company from UAE VAT. VAT registration is mandatory when taxable supplies/imports exceed the statutory mandatory-registration threshold, and voluntary registration may be available above the voluntary threshold. The treatment of goods in a Designated Zone and services supplied from a free zone requires separate VAT analysis.

Accounting, Audit & Corporate Tax Return

Topic	Current position
Books and records	Maintain complete accounting records, invoices, contracts, bank records and supporting documents under UAE tax/commercial requirements.
Financial statements	Prepare annual financial statements using acceptable accounting standards.
QFZP audit	A Qualifying Free Zone Person must prepare and maintain **audited financial statements regardless of revenue**.
CT registration	Mandatory for Free Zone juridical persons.
CT return	File the annual Corporate Tax return, generally within nine months after the tax period ends.
Record retention	Maintain tax records/documents for the statutory retention period under the Corporate Tax Law.
Related parties	Apply arm's-length transfer pricing to related-party/connected-person transactions and maintain required documentation.

Beneficial Ownership & Corporate Registers

Cabinet Decision No. 109 of 2023 applies to UAE non-financial free-zone legal persons, including RAKEZ entities. The company must maintain accurate registers of beneficial owners and partners/shareholders and provide prescribed data to the Registrar. Changes must generally be updated within the statutory time limits.

Topic	Current position
UBO register	Maintain the prescribed Real/Beneficial Beneficiary information and supporting identification.
Shareholder register	Maintain shareholder details, shareholdings and voting rights.
Nominee management	Nominee board/management arrangements must be disclosed as prescribed.
Changes	Relevant changes are generally required to be notified within **15 days**.
Registrar	Prescribed UBO/shareholder data is submitted to the Registrar; the beneficial ownership data is subject to statutory confidentiality/access rules.
UAE contact	The legal person must provide the Registrar with details of a natural person residing in the UAE for the statutory disclosure/contact function.

Annual Renewal & Ongoing Compliance

- Renew the RAKEZ business licence before expiry. RAKEZ states that the late-renewal penalty is AED 50 per day.
- Renew the facility/lease package required for the licence.
- Maintain Corporate Tax registration and file the annual CT return.

- Maintain audited financial statements if claiming QFZP status.
- Review Qualifying Income, excluded activities, de minimis and adequate substance every tax period.
- Maintain accounting and transfer-pricing records.
- Keep UBO, shareholder and officer information current with RAKEZ.
- Renew immigration establishment/e-channel and visas where applicable.
- Maintain VAT registration/returns if VAT obligations apply.
- Maintain external approvals and additional compliance for regulated or DNFBP activities.

Licence & Facility Costs

RAKEZ pricing is package-, activity-, facility- and visa-dependent and changes through promotions and annual tariff updates. For this reason, this guide intentionally does **not** present a single government incorporation price as if it applied to every client. The correct RAKEZ quotation should be generated for the selected activity, facility, shareholder structure and visa requirement.

Tailored cost quotation

BRIS Group will provide a separate quotation showing the applicable RAKEZ licence/package, facility, immigration/e-channel, visa, establishment card, corporate document and professional-service costs for the client's selected structure.

How BRIS Group Supports You

Pre-formation review - Review the proposed activity, customer locations and whether the intended revenue model can qualify for the Free Zone 0% regime.

RAKEZ formation - Coordinate pre-approval, trade name, licence, FZ-LLC incorporation and facility selection.

KYC & UBO - Coordinate shareholder, manager, UBO and corporate-shareholder due diligence.

Corporate documents - Coordinate MOA, resolutions, shareholder records and amendments.

Immigration - Coordinate establishment/e-channel, investor/partner/employment visas where required.

Tax registration - Coordinate UAE Corporate Tax registration and VAT registration where applicable.

Accounting & audit - Arrange bookkeeping, financial statements and audit required for QFZP status.

Annual renewal - Coordinate licence/facility renewal and ongoing corporate compliance.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to RAKEZ Free Zone FZ-LLC formation and maintenance and is not a fee quotation. BRIS Group professional fees, RAKEZ licence and facility charges, government/immigration fees, visas, tax registration, accounting, audit and optional services are quoted separately. Clients may request a tailored quotation based on the proposed activity, shareholder structure, facility and visa requirements.

Client Preparation Checklist

- Three proposed trade names.
- Exact proposed business activities and countries of customers/suppliers.
- Whether clients will be foreign, UAE Free Zone or UAE mainland persons.
- Shareholder(s) and ownership percentages.
- Proposed natural-person manager.
- Passport/address/visa/Emirates ID information as applicable.
- Corporate shareholder documents where applicable.
- UBO ownership chart and UBO documents.
- Expected annual revenue and transaction profile.
- Required facility type and number of residence visas.
- Whether 0% QFZP treatment is intended and which qualifying activity/income category is expected.
- Whether VAT, customs, regulated activity or DNFBP registration is likely to apply.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute UAE legal, tax, accounting, immigration or investment advice. **A RAKEZ Free Zone company is not automatically a 0% tax company.** The 0% Corporate Tax rate is available to a **Qualifying Free Zone Person only on Qualifying Income** and only while all statutory conditions are met. All Free Zone entities must register for Corporate Tax and file returns.

Primary official sources reviewed: RAKEZ Companies Regulations of 2023 and current RAKEZ FAQs/checklists; RAKEZ Investment Guide; UAE Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as amended; current Cabinet/Ministerial Decisions governing Free Zone Persons and Qualifying Income; Federal Tax Authority Free Zone Person and Tax Return guidance; and Cabinet Decision No. 109 of 2023 on Beneficial Ownership Procedures.

Information reviewed: August 2026. RAKEZ packages, fees, approved activities and UAE tax implementing decisions can change and will be reconfirmed before incorporation and renewal.

PREPARED BY BRIS GROUP

RAKEZ Free Zone FZ-LLC - Client Guide 2026

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