

Offshore Opportunities

The growth of international businesses in the UAE has made it a major commercial hub for global institutions and companies. Hassan Mohsen Elhais provides an insight into the offshore type of business organisations in the UAE.

There are three authorities in the UAE in which an offshore or International Company can be registered, i.e. Jabel Ali Free Zone (JAFZA) in Dubai, Ras Al Khaimah Investment Authority (RAKIA) and Ras Al Khaimah Free Trade Zone (RAKFTZ) in Ras Al Khaimah.

Jebel Ali Free Zone (JAFZA) is one of the world's most customer-centric and well-integrated business areas where a company can flourish and achieve unhindered growth.

Whether you need to restructure your business, protect your assets or simply develop an international presence, JAFZA offers you to open an offshore company.

The advantages of setting up a company in an offshore jurisdiction are plentiful:

- » 100 per cent tax exemption
- » 100 per cent foreign ownership (no local sponsor is required)
- » Limited liability Company (option to have Inc. or Ltd.)
- » Protection against lawsuit judgments
- » Extreme discretion and confidentiality of the International Company Registry
- » Ability to maintain corporate bank accounts (multiple current accounts) in UAE
- » Ability to own e.g. real estate property in UAE
- » Ability to tailor the company, Memorandum of Association and Articles of Association to suit your needs
- » Absolute privacy, confidentiality and protection of assets and information
- » No annual audit report needs to be submitted to the authorities
- » Minimum of one director is required (Jebel Ali Offshore Company requires 2 directors)
- » No tax haven stigma as UAE is on the white list of OECD
- » Own an international company and take advantage of more than 50 UAE double tax treaties
- » A certificate of residence can be issued for foreign tax authorities
- » Unlimited market opportunities

The above mentioned important factors make it all the more valuable in opening an offshore company, especially when you have no need to trade within the local jurisdiction. As you are not limited to a certain license or activity, you can find a lot more flexibility and creativity through the offshore company as a solution.



Meanwhile, an offshore company may be incorporated to conduct any lawful business, except of:

- » Carry on business with persons resident in the United Arab Emirates;
- » Own an interest in real property situate in the United Arab Emirates, other than a lease referred to in JAFZA Offshore Regulation 15(2) or as approved by the Authority,
- » Carry on banking business,
- » Carry on business as an insurance or re-insurance company, insurance agent or insurance broker, or
- » Carry on any other business which may, by regulations made by the Authority, be prohibited by the Authority.

With no minimum share capital requirements as well as no additional obligations to employ staff or rent offices (which you have to do for Free Zone companies), your opportunities are endless as your investment levels are controlled. Also, the ability to book international profits without paying tax provides significant savings opportunities. Furthermore, the ability to open a bank account as well as hold property in the name of the offshore company is extremely enticing, and will enable you to protect your assets in the long run, and secure them for you, your family or your business. 🏠

Text by: **Hassan Mohsen Elhais**, senior partner & solicitor

AL ROWAAD
ADVOCATES & LEGAL CONSULTANTS

Dubai:

tel: +971 4 325 4000, email: awf@awfuae.com

Abu Dhabi:

tel: +971 2 650 1211, email: abudhabi@awfuae.com