



COMPANY SETUP

CHOOSING A UAE COMPANY THAT'S RIGHT FOR YOU AND YOUR BUSINESS

The UAE is a hub of innovation, trade, and entrepreneurship that draws businesses of all types to establish themselves there. However, selecting an appropriate company structure should be one of your key decisions when setting up in the UAE.

Both free zones and mainland companies options comes with its own advantages, regulations and requirements. Selecting the ideal solution depends on your industry, target market, operational needs and long-term goals.

Should I set up a Freezone or Mainland company?

This depends on the business activity of what you will be doing. Usually both are possible so we can discuss your trade and ensure you choose the right option. Freezone tends to be cheaper, and you don't need an office Ejari (lease).

Choosing Between a Mainland and Freezone Company in Dubai: A Breakdown

Deciding between setting up a mainland or freezone company in Dubai is a crucial step for aspiring entrepreneurs. Both options offer distinct advantages and cater to different business needs.



Here's a detailed breakdown to help you make an informed decision:

Mainland Company:

Definition: A mainland company is a business entity registered with the Department of Economic Development (DED) in a specific Emirate (like Dubai). It operates within the UAE mainland and can conduct business activities anywhere in the country.

Pros:

- **Wider Market Access:** Mainland companies have access to the entire UAE market, including a large domestic population and established businesses.
- **Greater Flexibility:** They can engage in a wider range of business activities compared to free zones (subject to licensing).
- **No Restrictions on Ownership:** There's no requirement for a local partner, and you can have 100% foreign ownership for specific business activities.
- **Direct Government Contracts:** Eligibility to participate in government tenders and contracts.

Cons:

- **Higher Setup Costs:** Typically requires more capital for initial setup compared to free zones, including costs for physical office space, licensing fees, and potential local partner fees (if applicable).
- **More Complex Regulations:** Navigating mainland company setup and regulations can be more intricate.
- **Visa Limitations:** The number of visas issued depends on the size of the office space.

Freezone Company:

Definition: A freezone company is a business entity registered with a specific free zone authority within the UAE. Free zones offer designated areas with streamlined regulations and attractive incentives for businesses.

Pros:

- **Cost-Effective Setup:** Generally involves lower setup costs due to minimal licensing fees, often not requiring a physical office (virtual offices allowed in some cases), and no local partner fees.
- **Simplified Regulations:** Free zones offer faster and easier business setup processes compared to the mainland.
- **Tax Benefits:** Free zones typically offer tax exemptions on corporate income and import/export duties.
- **100% Foreign Ownership:** Guaranteed 100% foreign ownership for most business activities.

Cons:

- **Limited Market Access:** Freezone companies primarily focus on international trade and may have restrictions on directly doing business within the UAE mainland (often requiring a local distributor).
- **Restricted Business Activities:** Not all business activities are allowed in free zones, and some may require additional licenses for specific sectors.
- **Visa Limitations:** The number of visas issued may be limited or have specific requirements depending on the free zone.

FREEZONES

Here's a list of Freezones in Dubai:

Jebel Ali Free Zone (JAFZA): One of the oldest and biggest free zones in Dubai, offering a wide range of business activities and excellent infrastructure.

Dubai Airport Free Zone (DAFZA): Strategically located near Dubai International Airport, DAFZA caters to businesses in aviation, logistics, and import/export.

International Free Zone Authority (IFZA): Now operating as Dubai Silicone Oasis Authority (DSOA) - Offers licences for professional and commercial services.

Dubai Multi Commodities Centre (DMCC): A leading free zone for commodities trading, including precious metals, diamonds, and tea.

Dubai Silicon Oasis (DSO): A hub for technology and innovation, DSO offers attractive incentives for startups and tech companies.

Dubai Media City (DMC): A free zone dedicated to the media and entertainment industry, attracting businesses in film, television, and advertising.

Dubai Internet City (DIC): A global center for information and communications technology (ICT), DIC houses major tech companies and startups.

Dubai International Financial Centre (DIFC): A leading financial center in the Middle East, DIFC caters to banks, investment firms, and other financial institutions.

Dubai World Trade Centre (DWTC): A free zone focused on trade and exhibitions, hosting major events like Expo 2020 Dubai.

Dubai South Free Zone (DSFZ): Located near Dubai World Central Airport, DSFZ targets aviation, logistics, and urban development businesses.

Dubai's free zones offer unique benefits tailored to various sectors. Researching them helps align your choice with your business goals.

Want detailed insights to decide the best fit?

[Click here](#) to jump to page 55 and read our Guide on Dubais Freezone.



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