



DUBAI

Guide



DUBAI

Intro

Dubai stands out as one of the most attractive business destinations globally, offering a tax-friendly environment with its 0% personal income tax and a competitive corporate tax rate of just 9% on qualifying profits. Entrepreneurs and investors alike benefit from Dubai's strategic location, situated at the crossroads of Europe, Asia, and Africa, making it a key gateway for international trade.

With its world-class infrastructure, state-of-the-art technology, and business-friendly policies, Dubai has become a hub for ambitious entrepreneurs who aim to scale their businesses globally. The city fosters innovation and growth, supported by free zones that offer full foreign ownership and easy company setup processes.

Aside from business, Dubai provides a premium lifestyle with stunning modern architecture, luxury shopping, and a booming culinary scene. The city also offers excellent healthcare, top-tier education, and a vibrant expat community, with many English speaking professionals.

For those looking to make Dubai their home, the UAE provides a safe, stable environment with year-round sunshine and diverse leisure options, from world-class golf courses to beautiful beaches. Whether you're an entrepreneur or investor, Dubai offers the perfect balance of business opportunity and exceptional quality of life.



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Free Zone Company vs. Mainland Company - 1

Authority

Dubai Free Zones: Monitored by independent governmental or non-governmental free zone authorities and entities.

Dubai Mainland: Overseen by the Department of Economic Development (DED), a governmental body.

Ownership

Dubai Free Zones: Offers 100% foreign ownership without the need for a local partner.

Dubai Mainland: Allows full control over your business, but requires a local sponsor (Emirati) for certain types of businesses.

Area of Business

Dubai Free Zones: Companies are restricted to operating within the free zone or internationally. In general, they cannot conduct business within the mainland UAE. Only by detours.

Dubai Mainland: No restrictions—businesses can operate anywhere in the UAE and internationally.



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Free Zone Company vs. Mainland Company - 2

Control on Business

Dubai Free Zones: Rules are subject to change by private free zone authorities, which may affect operations.

Dubai Mainland: Governed by official government bodies, providing stronger legal protection and stable regulations.

Licensing

Dubai Free Zones: The process is managed by the free zone authority through a simplified single-window system, though various certifications may still be required.

Dubai Mainland: Requires document assessments and permissions from multiple government bodies, with integration into the DED.

TYPES OF BUSINESS ACTIVITIES



Commercial License

A commercial license is used for businesses involved in trading activities. This includes buying and selling goods, wholesale and retail trade, import and export, as well as storage and distribution.

It is one of the most common license types in Dubai and is typically suitable for companies that deal with physical products, trade operations, or general commerce.

Professional License

A professional license is designed for service-based businesses. This includes consultants, accountants, legal advisors, marketing agencies, designers, architects, IT service providers, and other professional or creative service providers.

This license is usually suitable if your business mainly earns income by providing expertise, skills, or professional services rather than selling physical goods.



TYPES OF BUSINESS ACTIVITIES



Industrial License

An industrial license is required for businesses involved in manufacturing, production, or industrial activities.

This can include the production of machinery, chemicals, food products, equipment, or other manufactured goods. In most cases, this type of license is relevant for companies that operate production facilities or engage in processing and manufacturing.

Tourism License

A tourism license is required for businesses operating in the travel and tourism sector.

This includes hotels, travel agencies, tour operators, holiday package providers, and other businesses that offer tourism-related services in or from Dubai.

TYPES OF BUSINESS ACTIVITIES



Freelance Permit

A freelance permit is designed for individuals who want to work independently in Dubai.

It allows you to offer professional services as a freelancer without setting up a traditional company structure. This can be a suitable option for consultants, designers, content creators, developers, marketers, and other independent professionals.

e-Commerce License

An e-commerce license is used for businesses that sell goods online.

It is suitable for companies that operate online stores, sell products through digital platforms, or run online trading activities. However, it is important to choose the correct activity carefully, because the license should reflect what is actually being sold and how the business operates.

Food and Beverage License

A food and beverage license is required for businesses operating in the F&B sector.

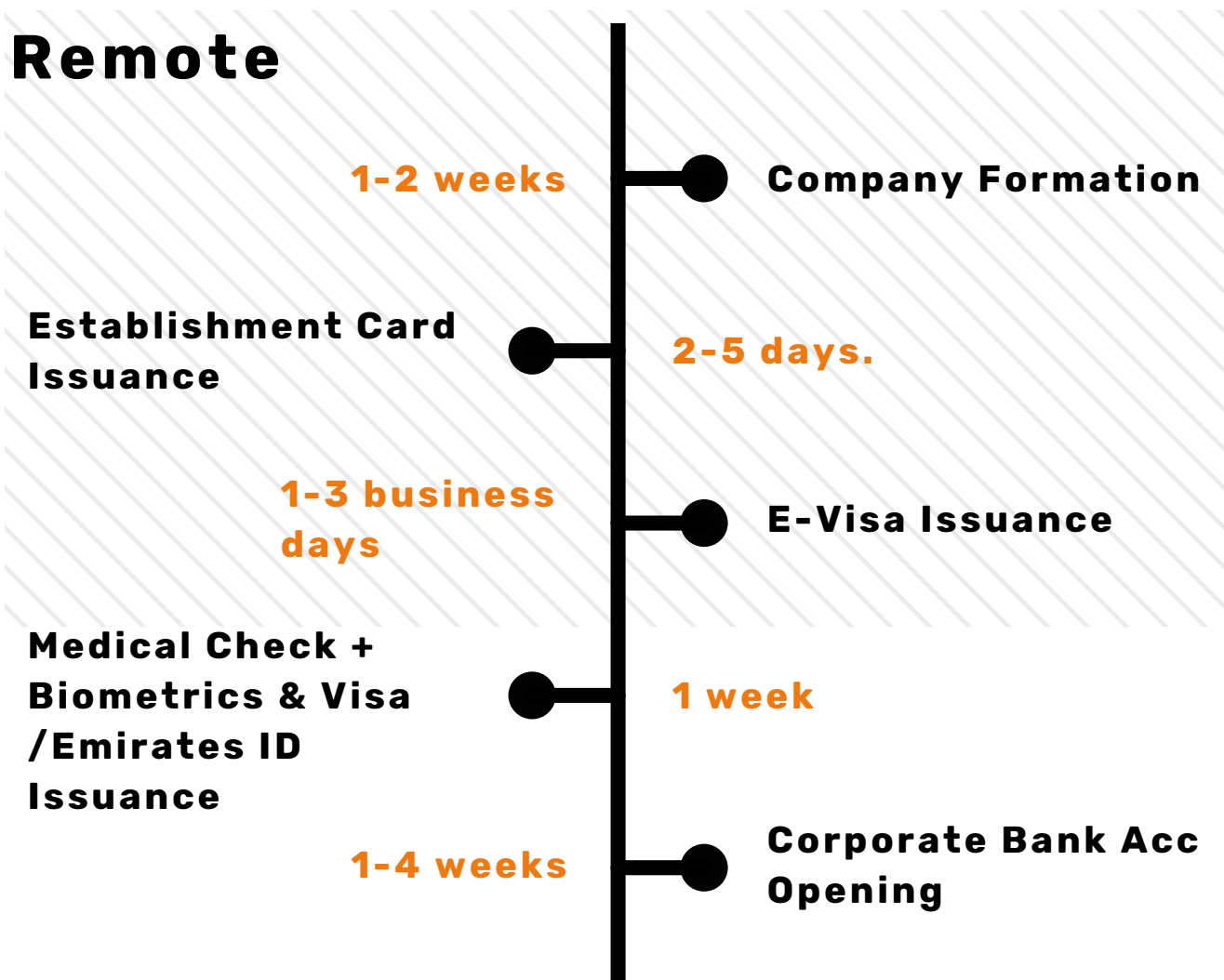
This includes restaurants, cafés, cloud kitchens, catering companies, food trucks, and other businesses involved in preparing, serving, or selling food and drinks.



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Duration Free Zone Company

Remote

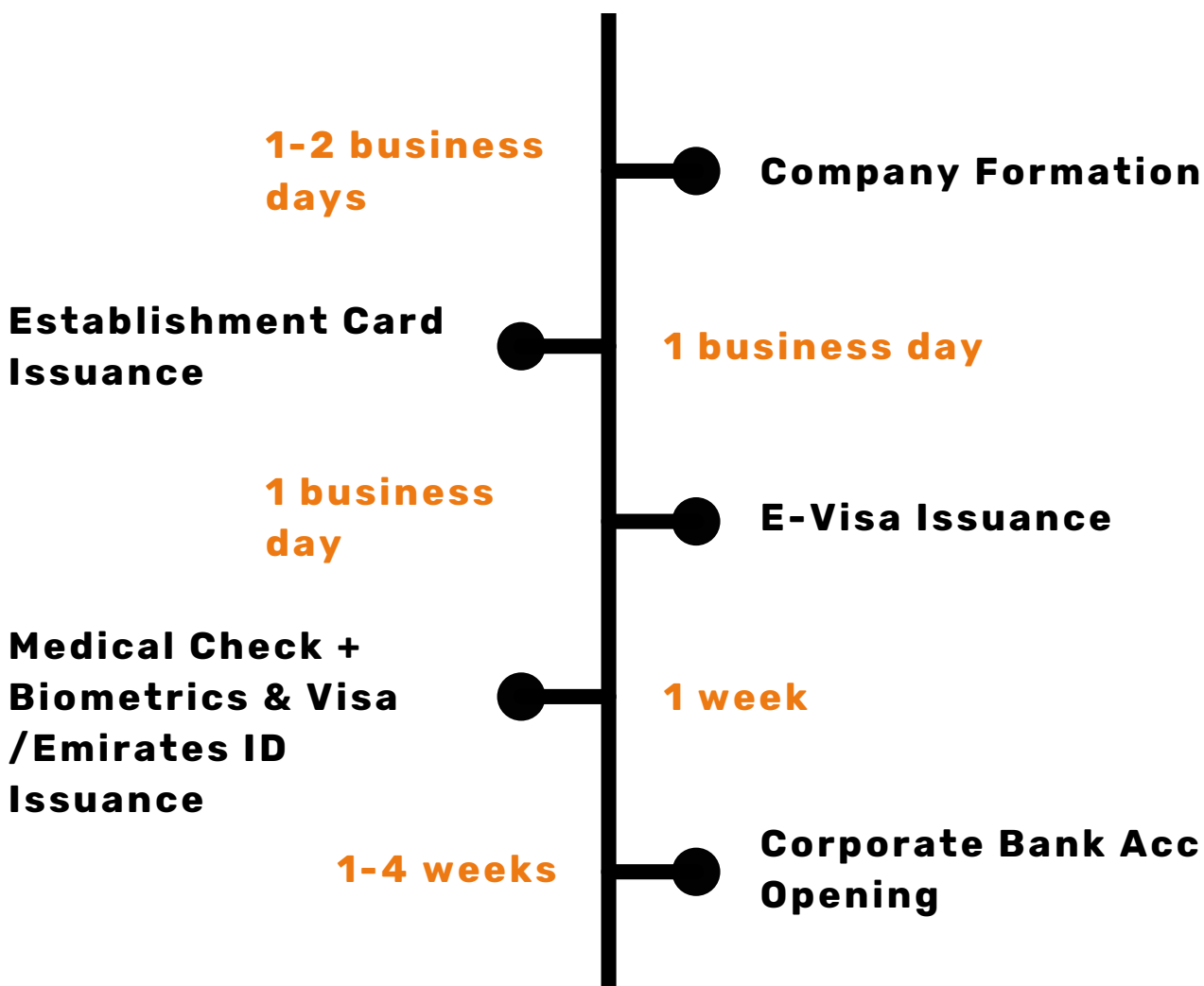




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Duration Mainland Company

Remote only possible via Power of Attorney





PROCESS AT A GLANCE

A trade license is required to legally operate a business in the UAE. It is issued either by the relevant Free Zone Authority or, for Mainland companies, by the Department of Economic Development / Department of Economy and Tourism.

The right license depends on the business activity. Common license types include Commercial, Professional, Industrial, and Tourism licenses.



STEPS TO OBTAIN

Free Zone License

- Determine the correct business activity
- Finalize the company name
- Submit the incorporation application
- Obtain external approvals, if required
- Receive the company license
- Receive the immigration card
- Apply for the residence visa
- Complete medical test and biometrics
- Receive residency visa and Emirates ID
- Open personal and company bank accounts

STEPS TO OBTAIN

Mainland License

- Create the application
- Obtain initial approval and name reservation
- Submit Ejari and sign MOA
- Obtain external approvals, if required
- Receive the trade license
- Receive the immigration card
- Apply for the residence visa
- Complete medical test and biometrics
- Receive residency visa and Emirates ID
- Open personal and company bank accounts



UAE RESIDENCY

After your company has been established in Dubai, you can usually apply for a UAE residence visa through your company. This allows you to legally reside in the UAE, sponsor eligible family members, open bank accounts, and access essential services in the country.

A UAE residence visa is especially important if you want to build real substance in Dubai, spend more time in the UAE, and create a stronger personal and business presence.



Benefits of a Dubai Residency Visa

1. Tax Residency

Dubai does not tax personal income, salaries, dividends, capital gains, or crypto gains. With a UAE residence visa and the right physical presence, you may also be able to apply for a UAE tax residency certificate.

3. Investment Opportunities

Residency can make it easier to invest in Dubai and access local opportunities, including real estate, business investments, and other UAE-based markets.

2. Banking

A UAE residence visa makes banking significantly easier. It can help with opening personal and company bank accounts, accessing better banking services, and building a stronger financial profile in the UAE.

4. Family, Healthcare & Lifestyle Benefits

With a UAE residence visa, you may be able to sponsor your spouse, children, and in some cases other family members. It also gives you access to healthcare, insurance options, schools, and other essential services in the UAE.

UAE BANKING



1. Why Banking Matters

A company setup is only truly useful once banking is in place. For many entrepreneurs, setting up a business in Dubai business banking is the last step - and often the most critical one.

2. Free Zone vs. Mainland



Mainland

Often more straightforward depending on the activity and case.



Free Zone

Typically more difficult and more heavily scrutinized by banks.

3. Why It Can Be Difficult



Dubai banking can be challenging without the right guidance or contacts. Compliance standards are often higher than many people expect, and banks review each case carefully.

4. What Banks Look At



Business activity:
low-risk vs. high-risk



Nationality of the Client



Experience in the relevant field



Possible proof of customers and suppliers



Sometimes a CV is requested

5. What Banks Look At



Fintechs like Wio / Mashreq NEO:
easier and faster to open but often not ideal for higher transaction volumes



Full scale banks are better for higher volumes, international transfers, credit access, and long-term business banking.

6. Why the Right Support Matters

A strong contact inside the bank can significantly speed up the process. The right sparring partner can make account opening far more efficient and realistic.

We work with a broad network of bankers and can provide high-level support throughout the account opening process.



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Taxation

Corporate Tax

Dubai and the broader UAE are globally recognized for their highly favorable tax regime, making the region an attractive destination for entrepreneurs and businesses alike. One of the biggest advantages is the absence of personal income tax, meaning individuals do not pay taxes on their salaries, investments, or capital gains.

In terms of corporate taxation, the UAE introduced a corporate tax in 2023 at a highly competitive rate of 9%, applicable to businesses with profits exceeding AED 375,000 (approximately \$100,000).

However, until at least end of 2026, both mainland and free zone companies can take advantage of the Small Business Relief. Under this scheme, businesses with annual revenues below AED 3 million are exempt from paying corporate taxes, providing significant tax relief to small enterprises and startups.

In addition, certain activities, such as holding companies that generate passive income from dividends or capital gains, can be entirely tax-exempt. Furthermore, Free Zone companies located in designated Free Zones may also benefit from a full exemption from corporate tax, provided they meet specific regulatory requirements.

Valued Added Tax (VAT)

VAT is a consumption tax on goods and services. In the UAE, the standard VAT rate is 5%.

Businesses must register for VAT once taxable supplies and imports exceed AED 375,000.

VAT mainly applies to UAE-based transactions. Products or services supplied outside the UAE may not require UAE VAT, depending on the business model and place of supply rules.



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Different Ways to become a Dubai Resident

Dubai offers multiple pathways to residency, each catering to different types of entrepreneurs, investors, and professionals. Below are the main options to obtain a Dubai residence visa:

1. Business Setup & Company-Sponsored Visa

- Establish your own company in Dubai, which can sponsor your residency.
- The visa is valid for 2 years and renewable.
- Important to note: Statutory bookkeeping is required, meaning financial statements must be prepared and corporate tax filed, even if the company is inactive. However, compliance costs are relatively low.

2. Investment-Based Residency

- Investor Visa (2 years): Requires a minimum investment of 400,000 AED in real estate.
- Golden Visa (10 years): Requires an investment of 2 million AED in real estate or government bonds.
- Provides long-term stability and benefits for investors.

3. Employment Visa

- If you secure a job in Dubai, your employer can sponsor your residence visa.
- The visa is valid for 2 years and renewable.
- This is the most common route for professionals moving to Dubai.



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Free Self-Sponsored Residency

Dubai offers a unique opportunity for **self-sponsored residency** through certain free zones. Unlike traditional company-sponsored visas, this option allows entrepreneurs and freelancers to obtain a residence visa without ongoing business operations.

- Typically, free zones charge an initial fee and a renewal fee every 2 years per visa, which is around \$1,000 USD in Dubai.
- However, this fee is occasionally waived, meaning you can secure a residence visa at no additional cost for certain periods.
- We regularly update our audience about these opportunities in our videos, helping you save on visa expenses in the long run.

This makes Dubai an even more attractive destination for entrepreneurs and remote workers looking for an affordable and flexible residency solution.





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Why GFS?

GFS is an international tax consultancy focused on online entrepreneurs providing services through a vast network of licensed experts in 30+ Countries.

During the last 3 Years we serviced 100s of online entrepreneurs, investors and High-net-worth individuals and helped them to reduce their tax liability to a minimum, through effective legal frameworks and international business structures.

We offer a personalized Service with a holistic view of our clients life and business circumstances, making sure all solutions are bullet proof and hassle free.

Our Dubai team is multilingual, including Arabic speakers, and has excellent connections with local authorities and banks. This enables us to offer a VIP process at every stage, ensuring a smooth and efficient experience for our clients.

In addition, we collaborate with a licensed audit firm to provide additional services such as accounting. We also work with experienced real estate agents who prioritize finding the right investment rather than just offering the first available project, which is often the case in Dubai.



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Frequently Asked Questions

- **How safe is Dubai?**
 - There is almost no crime in Dubai. Dubai is one of the safest cities in the world.
- **How long is the visa valid?**
 - The visa obtained through company formation is valid for 2 years. There are also alternative ways to acquire a visa, such as through real estate investment. A property investment of at least AED 400,000 grants a 2-year visa, while an investment of AED 2 million or more provides a 10-year visa.
- **Is liability in the Mainland and in Free Zones limited to the companies?**
 - Yes, liability is limited to the companies.
- **How good are the banks in the UAE?**
 - The top banks in the UAE are regarded as highly reliable by leading rating agencies such as Moody's and Fitch. Their robust financial standing reflects the strength of the UAE's banking sector, making them a secure choice for both individuals and businesses.
- **Is it possible to obtain a Tax Residence Certificate?**
 - To obtain a Tax Residence Certificate, you only need to spend 90 days per year in the UAE, provided you have a permanent home in the country and work there. This flexible requirement makes it easier for expatriates and entrepreneurs to establish their tax residency in the UAE.



- **I am rarely in Dubai. Does it still make sense to set up a company there?**
 - If you spend little time in Dubai, it may be more advantageous to consider an alternative business structure. Contact us for an evaluation.
- **Is Dubai and the UAE crypto-friendly?**
 - Dubai is very crypto-friendly, with a supportive regulatory environment for digital assets. The world's largest cryptocurrency exchange, Binance, also has an office in Dubai, further emphasizing the city's commitment to becoming a global hub for cryptocurrency and blockchain innovation.
- **Are there taxes on profits from crypto sales?.**
 - No
- **Is the process of buying a property in Dubai easy?**
 - Purchasing real estate in Dubai is a smooth and straightforward process. It's essential to ensure that you buy in designated freehold areas, where foreign ownership is permitted, allowing you to fully own your property without any restrictions.



WANT TO WORK WITH US?

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