

XIPHIAS Immigration

PROGRAMME BROCHURE

CORPORATE MOBILITY | UNITED ARAB EMIRATES

Dubai Free Zone Company & Employment Visa

Set up a Dubai free zone company and sponsor yourself, your staff and your family for UAE residence, with government fees, free zone charges and the corporate tax rules set out separately.

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Updated 1 October 2026
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At a glance

COUNTRY **United Arab Emirates**	ROUTE **Corporate Mobility**
TIMELINE **Licence time set by the free zone; GDRFA residence permits in 48 hours**	COMPANY STRUCTURE **Free zone company licensed by a Dubai free zone authority**
OWNERSHIP **Full foreign ownership**	OFFICE **Office or flexi-desk under the free zone's rules**
BANK ACCOUNT **Corporate banking subject to the bank's KYC checks**	LAST UPDATED **1 October 2026**

Overview

A **Dubai free zone company** is licensed by a free zone authority rather than by Dubai's Department of Economy and Tourism. It can be wholly foreign-owned, and once it holds an establishment card it can sponsor residence permits for its owners, its employees and their families.

Three questions decide whether a free zone suits you: what the set-up will actually cost, which residence route you qualify for, and whether your income can benefit from the free zone corporate tax regime. This page answers each one.

What it costs: three separate layers

Set-up costs in the UAE fall into three layers, and it pays to keep them apart:

1. **Government immigration fees**, charged by GDRFA Dubai and the federal ICP. These are small and published.
2. **Free zone charges**, set by each free zone authority for licensing, registration and its own services.
3. **Professional and service fees**: company formation support, PRO services and advice. These are not government fees.

Government fees (GDRFA Dubai and ICP)

Fee	Amount
Residence permit, private sector (GDRFA)	AED 200
Knowledge and Innovation fees	AED 10 each (AED 20)
Inside-country fee, if the applicant is already in the UAE	AED 500
Delivery	AED 20

Fee	Amount
Entry permit for residence (GDRFA)	AED 200 plus 5% VAT
Status change inside the UAE (GDRFA)	AED 500, plus AED 10 + AED 10
Establishment card (ICP)	AED 100 application + AED 100 per year + AED 100 smart services (AED 300)
ICP e-system subscription	AED 2,000

Medical fitness and Emirates ID fees are charged separately; XIPHIAS confirms them for your file.

Free zone charges: DMCC's published schedule

DMCC is the only Dubai free zone that publishes its full schedule of charges, which makes it the clearest benchmark:

DMCC charge	Amount
Application	AED 1,015
New company registration	AED 9,000
Articles of association	AED 2,020
Standard trading or service licence	AED 20,265 per year
General trading licence	AED 50,265 per year
DMCC establishment card	AED 1,825 per year
Employment residence permit package (2 years, new, applicant outside the UAE)	AED 2,972.50
Emirates ID typing	AED 351.40 (1 year) or AED 451.40 (2 years)
Visa quota increase	AED 500 per visa, plus AED 250 per request

On those published figures, a DMCC company with a standard licence pays **AED 32,300** in DMCC charges in its first year, before office costs and residence permits.

Meydan Free Zone publishes "from" pricing, with licences starting at **AED 12,500**. IFZA, DAFZA, Dubai Silicon Oasis and Dubai South do not publish public fee schedules; their charges are quoted company by company, and XIPHIAS obtains a written quote before you commit.

Many free zones issue the establishment card through their own portal (DMCC charges AED 1,825 a year) rather than through a federal ICP file (AED 300 plus the AED 2,000 e-system subscription). We confirm which applies to your company.

Residence: who gets what

- **Employees** sponsored by the company receive a **2-year** residence permit, renewable. DMCC also offers 1-year permits.
- **Owners and partners** whose contribution to the company is at least **AED 1,000,000** in cash, or its equivalent in foreign currency, can qualify for the **5-year Green Residence** as an investor or partner, renewable on the same terms.

- Owners below that threshold are usually sponsored through the company's establishment card. XIPHIAS confirms the right category and validity for your licence before filing.
- Residence validity is set by federal and GDRFA rules, not by the free zone. What differs between free zones is price and visa quota.
- GDRFA processes residence permits in **48 hours**.

Family sponsorship

To sponsor family, the resident needs a salary of at least **AED 4,000 a month, or AED 3,000 plus accommodation**. This is a single test for the sponsor. It covers a spouse, unmarried daughters, sons under 25 and children with special needs, with no separate threshold for a wife or for children. Family members over 18 must pass a medical fitness test. A partner who sponsors family as a partner must also hold a share of at least **AED 48,000** under the partnership agreement (GDRFA).

Corporate tax: what 0% really means

- UAE corporate tax is **0% on taxable income up to AED 375,000 and 9% above**, under Federal Decree-Law No. 47 of 2022, for financial years starting on or after 1 June 2023.
- A free zone company pays 0% only if it is a **Qualifying Free Zone Person**, and then only on **Qualifying Income**. Everything else is taxed at 9%. The conditions are cumulative: adequate substance in the free zone, Qualifying Income, no election to be taxed at the standard rates, transfer-pricing compliance, and the **de minimis test**, under which non-qualifying revenue must not exceed **5% of total revenue or AED 5,000,000, whichever is lower**.
- **Qualifying activities** include manufacturing and processing of goods, trading of qualifying commodities, holding shares and securities for investment, ship ownership and operation, reinsurance, fund and wealth management, headquarter and treasury services to related parties, aircraft financing and leasing, distribution in or from a Designated Zone, and logistics.
- **Excluded activities** include any transactions with natural persons (with narrow exceptions), banking, insurance other than reinsurance, most finance and leasing, and the ownership or exploitation of immovable property.
- A typical free zone consultancy or trading company selling to individuals or to mainland UAE customers will therefore not have Qualifying Income.
- Breaching the conditions costs the regime for the current tax period and the following four.
- **Small Business Relief**, for revenue up to AED 3,000,000, applies only to tax periods ending on or before **31 December 2026**, and is not available to Qualifying Free Zone Persons.
- The UAE levies **no personal income tax**. VAT is **5%**.

Indian tax residence: an important caution

A UAE residence visa is an immigration status. It does **not** by itself end Indian tax residence. Under **Section 6 of the Income-tax Act, 1961**, residence turns on the days you spend in India: 182 days or more in the financial year, or 60 days in the year together with 365 days over the preceding four years, with longer limits for Indian citizens who leave India for employment or who are visiting. An Indian citizen whose Indian income exceeds **Rs. 15 lakh** and who is not liable to tax in any other country is treated as resident regardless of days spent in India. This deemed-residence rule matters precisely because the UAE levies no personal income tax.

Take Indian tax advice before you relocate. Indian residents who invest in a foreign company also have Indian

exchange-control and foreign-asset reporting obligations to plan for.

Risks

- **Package prices.** Set-up "packages" combine government fees, free zone charges and service margin. Ask for each layer separately.
- **0% is not automatic.** Qualifying Free Zone Person status depends on your activities, your customers and your substance, and is lost for five tax periods if the conditions are breached.
- **Residence depends on the company.** Licence, establishment card and residence permits must all be renewed on time.
- **Grace periods.** If a residence permit is cancelled, ICP allows a grace period of 30 days as standard, 60 days where there is a guarantor or host, 90 days for skilled workers at levels 1 to 3 and for property owners, and 180 days for Golden and Green residence holders and their families. Overstaying costs **AED 50 per day**.

{/ restored from the 2019–2026 site /}

Free Zone Companies (FZC) and Free Zone Establishments (FZE)

If you are considering physically moving (part of) your business to the UAE, a Free Zone company is the obvious choice. You will have a local presence and do business from the booming UAE. You can rent an office space and obtain visas for you and your staff easily.

The free zones each have their own free zone authority. These are profit making entities; their main source of income is often derived from renting office space, collecting license fees, and providing services to the companies operating in the free zone. All share the features outlined above but differ along the following lines:

the main advantages of setting up in one of the free zones in the UAE are

- Renting of offices and flexi desks
- Obtaining residence visas
- No tax
- Easy to hire the staff you need
- Focus of the free zone; often attracting businesses from a particular sector although there is considerable flexibility
- Office rent:Rents outside Dubai are significantly lower
- Minimum office space required
- Support facilities provided by the free zone
- Annual license fees
- Capital requirement
- Number of visas allocated per square meter office space

Our Services

Our corporate consultants will undertake the review of your proposed structure, proceed with the incorporation with the incorporation of the entities whilst complying with the applicable legislation and best corporate practice. We assist in registering companies in Dubai and the UAE local limited liability company (“LLC “), Free zone entity (“ FZE”) and International Business Company (“ IBC”)

Our firm can also provide full range of corporate administration services in UAE

- Organising and managing board of directors and shareholders’ meetings
- Corporate compliance
- Secondment of staff for short-term company secretarial projects
- Annual renewal of trade/business licences
- Provision of a registered office
- Winding up and liquidation
- Preparing the minutes of directors’ and shareholders’ meetings
- Issuing and safekeeping of share certificates
- Opening and monitoring bank accounts
- Handling correspondence with third parties and various authorities
- Monitoring local compliance with statutory requirements and filings

Fees and rules on this page reflect the official sources listed below as at 1 October 2026.

Requirements

- A business activity licensed by the free zone authority.
- Shareholder and director KYC: passport, proof of address and any documents the free zone requires.
- An office or flexi-desk arrangement the free zone accepts.
- An active establishment card to sponsor residence permits.
- Medical fitness test and Emirates ID biometrics for each resident.

When this route may not fit

- An activity the free zone does not license, or one needing approvals that have not been obtained.
- Incomplete or unattested KYC documents.
- An expired trade licence or establishment card.

How the process works

1. **Choose activity and free zone**
   Match your activity, customers and budget to a free zone, comparing published charges where they exist.
2. **Licence and incorporation**
   Submit KYC and constitutional documents; the free zone issues the trade licence.

3. **Establishment card**
   Register the company for immigration so it can sponsor residence permits.
4. **Entry permit or status change**
   GDRFA entry permit (AED 200 plus VAT), or status change inside the UAE (AED 500 plus AED 20).
5. **Medical test and Emirates ID**
   Complete the medical fitness test and Emirates ID biometrics.
6. **Residence permit**
   GDRFA issues a 2-year residence permit; processing takes 48 hours.
7. **Family and tax set-up**
   Sponsor family once the salary test is met, and put corporate tax compliance in place.

After the licence and visas are issued

- Open a corporate bank account (subject to the bank's KYC and beneficial-ownership checks).
- Keep accounts and corporate tax compliance in order, including the evidence any 0% Qualifying Free Zone Person position depends on.
- Register for VAT where required (standard rate 5%).
- Sponsor family once the salary test is met: AED 4,000, or AED 3,000 plus accommodation.
- Renew the trade licence, establishment card and residence permits before they expire.

Document checklist

Shareholders and directors

- Passport copies
- Proof of residential address
- Any KYC or source-of-funds documents the free zone requests

The company

- Business activity description or business plan, where the free zone requires it
- Constitutional documents for any corporate shareholder

Residence and family

- Passport photographs
- Medical fitness test
- Emirates ID biometrics
- Tenancy contract, if you rely on accommodation for the family salary test

Questions clients ask

How much does a free zone company cost to set up?

There is no single government price. Government immigration fees are small: a GDRFA residence permit is AED 200 and a status change AED 500, plus small add-ons. Free zone charges are set by each authority. DMCC publishes AED 1,015 for the application, AED 9,000 for registration and AED 2,020 for the articles of association, then AED 20,265 a year for a standard licence. Meydan Free Zone publishes licences from AED 12,500.

How long is the residence visa valid?

Two years for sponsored employees, renewable. Investors whose contribution is at least AED 1,000,000 can qualify for the 5-year Green Residence.

What salary do I need to sponsor my family?

AED 4,000 a month, or AED 3,000 plus accommodation. The same test applies to a spouse and to children; family members over 18 need a medical fitness test.

Is a free zone company tax-free?

Not automatically. Corporate tax is 0% on taxable income up to AED 375,000 and 9% above. A Qualifying Free Zone Person pays 0% on Qualifying Income only, and must meet substance, transfer-pricing and de minimis conditions. Transactions with individuals do not qualify.

Do I need an office?

Each free zone sets its own premises rules, with options ranging from flexi-desks to dedicated offices.

How long does it take?

Licensing time depends on the free zone. Once the company has its establishment card, GDRFA processes residence permits in 48 hours.

Does UAE residence end my Indian tax residence?

Not by itself. Indian tax residence is decided under Section 6 of the Income-tax Act, 1961, on days spent in India and the deemed-residence rule. Take Indian tax advice before relocating.

Important notes

- Government immigration fees (GDRFA and ICP) are small and published. Free zone charges are set by each authority: DMCC publishes a full schedule; Meydan publishes "from" pricing; IFZA, DAFZA, Dubai Silicon Oasis and Dubai South do not publish public schedules.
- Medical fitness and Emirates ID fees are charged separately; XIPHIAS confirms them for your file.
- Qualifying Free Zone Person de minimis test: non-qualifying revenue must not exceed 5% of total revenue or AED 5,000,000, whichever is lower.
- If a residence permit is cancelled, ICP allows a grace period of 30 days as standard, 60 days where there is a guarantor or host, 90 days for skilled workers at levels 1 to 3 and for property owners, and 180 days for Golden and Green residence holders and their families. Overstaying costs AED 50 per day.

Official sources: GDRFA Dubai — Issuing residence permits for the private sector; GDRFA Dubai — Status amendment; GDRFA Dubai — Entry permit for family members; GDRFA Dubai — Green residence (partner or investor); ICP — Issuing a residency permit; ICP — Issuing an establishment card; ICP — Cancellation of residency permits; u.ae — Residence visa for family members; DMCC — Schedule of charges; Meydan Free Zone — Company setup cost breakdown; u.ae — Corporate tax; Ministry of Finance — Small Business Relief decision.



NEXT STEP

Plan your United Arab Emirates application with our Dubai team

Tell us about your profile, family and timeline. We will confirm whether **Dubai Free Zone Company & Employment Visa** fits, set out the full cost in writing and manage the application with you from start to finish.

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CREDENTIALS

- Advising clients on global mobility since 2009; XIPHIAS Immigration DMCC in Dubai since 2017.
- Named Best Immigration Consultant by The Times of India in 2022.
- Canada files handled by a CICC-licensed Regulated Canadian Immigration Consultant, licence R516194.
- Australia files handled by a registered migration agent, MARA 1680615.

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