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JEBEL ALI OFFSHORE COMPANIES: OVERVIEW

Introduction

Ideally positioned between the east and the west, and a convenient stopping-off point for global trade traffic, the Jebel Ali Free Zone (JAFZ) is a world hub. Add to this Dubai's strategic location close to the Gulf entrance, with easy access to the entire Arabian Peninsula, and it is easy to see why so many multinational giants have chosen this as their regional distribution centre for reaching the 1.5 billion consumers in the surrounding markets.

The Dubai Government introduced the setting up of offshore companies in JAFZ, which are regulated by the JAFZ Offshore Companies Regulations 2003. The Chairman of the Dubai Port, Customs and Free Zone Corporation introduced the regulations in accordance with the authority given to him by Dubai Laws Nos 1 and 4 (2001).

Features

100% foreign ownership is allowed. The company may own real estate property on the Palm Islands, or any properties owned by Nakheel Company LLC, EMAAR or any other property approved by the JAFZ authority. It may hold a bank account in the UAE for the purpose of conducting routine operational transactions. It is not allowed to carry on business with people who are resident in the UAE or trade in JAFZ/UAE. The registrar has the power to appoint inspectors to investigate the affairs of an offshore company.

Officers

Shareholders

A minimum of one shareholder is required. Corporate shareholders are permitted. In this case all original corporate documents need to be submitted, together with a recent certificate of good standing, and, if the company is incorporated outside the UAE, all the corporate documents will need to be attested at the Ministry of Foreign Affairs in Dubai.

Shareholders are the ones who decide the capital structure of the company. No minimum capital requirements have been stipulated. Bearer shares are not permitted. Different classes of shares are not permitted and shares have to be paid fully when allotted. A shareholders meeting should be conducted periodically (at least once annually). Every company will maintain minutes of all proceedings at general meetings. The Register of Members will open for inspection by any member of the offshore company and any other person. It is an offense to refuse inspection.

Directors

A minimum of two directors are required and corporate directors are not permitted. Details of directors are not available for public inspection.

Secretary

Every company must have a secretary.

Annual Reporting

Every company must keep accounting records, and they must be kept for 10 years from the date on which they were prepared. Accounts must be approved by the directors and signed by one of them. Every company must appoint an Auditor (from an approved list) to examine and report on the accounts in accordance with the regulations.

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Timescale

Registration takes approximately five working days.

Restrictions on Name and Activity

The following words, and their associated activities, cannot be used: assurance, bank, building society, chamber of commerce, chartered, co-operative, fund, imperial, insurance, municipal, mutual fund, royal and trust.

Local Requirements

As a matter of local company law the company MUST maintain a registered office address within the Free Zone and appoint an approved registered agent. A registered agent's office in Dubai or in the Free Zone can also be used as the registered office.

Requirements for non-Redwood Company Formations Officers acting as Directors and/or Shareholders

- Certified passport copy (by a banker, accountant, lawyer or notary)
- Original or certified utility bill not more than three months old (if not in English it will need to be translated into English legally)
- Original bank reference letter not more than three months old (if not in English it will need to be translated into English legally)
- Curriculum vitae

Other requirements

- Business plan of the intended business activities (minimum one page)

The shareholder of the company must sign on the Memorandum and Articles of Association of the company in person at the Jebel Ali Free Zone authority. If the shareholder cannot visit Jebel Ali Free Zone in person then he/she should issue a Power of Attorney to an authorized signatory to represent the company and to sign on the Memorandum and Articles of Association on behalf of the shareholder at Jebel Ali Free Zone. In this case, the Power of Attorney will need to be notarized and attested at the Ministry of Foreign Affairs in the UAE.

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