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Guide · United Arab Emirates

Dubai Company Formation Guide

Company structure, free zones, the formation process, cost items, residence visas, bank accounts and the tax framework.

Ortac Global

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01 Overview

Forming a company in Dubai rests on three basic decisions: the structure of the company, its activity and the number of people who will receive a visa. Cost, timing and the market you can sell to follow from these three decisions.

- To form a company in Dubai you do not need a UAE national as a partner or UAE residence; a free zone company can be wholly owned by a foreign shareholder.
- At Ortac Global, company formation in Dubai starts from **USD 5,120**, including a 1-year licence; a visa is **USD 1,953** per person and the accounting service is **USD 350** a month.
- Registering a company in Dubai takes 5-6 days on average; together with the visa procedures the process is completed in 14 days at most.
- The first AED 375,000 of net profit is not subject to corporate tax, and 9% applies above that; VAT is 5%.

Who Can Form a Company?

Foreign individuals of any nationality and foreign companies can be shareholders of a company in Dubai. According to the official UAE portal, free zone companies can be wholly owned by foreign investors. On the mainland too, 100% foreign ownership has been possible since 2021; restrictions apply only to the strategic-impact activities determined by the UAE Cabinet.

Formation Requirements

The requirements are few: a valid passport, the activity to be written on the licence, a company name that complies with UAE naming rules and the company's registered address. In a free zone formation the address requirement is met by the shared office address included in the licence package; the application is carried out remotely and no wet-ink signature is required. For a mainland company, an authorised signatory of the company must visit the relevant official authority in person for the formation.

A licence is valid only for the activities written on it, and some activities are subject to additional approval. The choice of activity determines both the licence process and the later tax and regulatory obligations; changing it later requires additional procedures.

Presence in the UAE is required for the visa

In a free zone, registration can be completed remotely. For the visa, biometrics and medical fitness test you must be physically present in the UAE; this step cannot be carried out by proxy. With the VIP visa service we recommend, the time you need to spend in Dubai falls to approximately 5 working days.

02 Choosing the Company Structure

A company in Dubai is formed in one of three structures: a free zone company, a mainland company or an offshore company. The price, the visa quota and the market you can sell to depend on this choice. The deciding criterion is the market you sell to: if your customers are outside the UAE, a free zone structure suits; if they are inside the UAE, a mainland structure suits.

Three company structures in Dubai

Structure	Who issues the licence	Activities it suits
Free zone	The free zone's own authority (such as IFZA, Meydan, DWTC)	E-commerce, software, consulting and agency activities whose customers are outside the UAE
Mainland	Dubai Department of Economy and Tourism (DET)	Businesses that will open a shop, restaurant or warehouse in the UAE or sell directly to local customers
Offshore	The authority that keeps the offshore register	Structures that do not operate inside the UAE and hold shares and assets

An offshore company is not a structure used to trade inside the UAE or to obtain a residence visa; the rest of the guide covers the free zone and mainland structures.

Free Zone and Mainland Compared

Topic	Free zone company	Mainland company
Licensing authority	The free zone authority	Dubai Department of Economy and Tourism (DET)
Foreign ownership	100%	100%, except strategic-impact activities
Who it can sell to	Freely within the free zone and outside the UAE; to the UAE domestic market through a distributor, a branch or a DET permit	Freely across the whole UAE and outside the UAE
Office	A shared office address is sufficient	A physical address and a registered lease are required
Visa quota	Depends on the licence package and the office type	Grows with the leased office
Corporate tax	0% up to AED 375,000, 9% above	0% up to AED 375,000, 9% above

Topic	Free zone company	Mainland company
VAT	5%	5%
Audit	Financial statements at every licence renewal; audit above a turnover or headcount threshold	Depends on the activity and turnover
Formation	Remote, with a digital signature	5 working days on average; a visit to the official authority by an authorised signatory is required
Total cost	Lower	Higher because of the office rent

The free zone column applies to general commercial free zones such as IFZA, Meydan and DWTC; financial centres are subject to separate rules.

Sales by a Free Zone Company to the UAE Domestic Market

A free zone company can sell freely to companies inside the free zone and to customers outside the UAE. According to the official UAE portal, a free zone company's direct sales on the mainland are generally not permitted; a free zone company that wants to enter the local market works with a licensed mainland distributor, or opens a branch or a company on the mainland. In practice, free zone companies are able to sell services and products to customers inside the UAE; opening an office or shop in the domestic market, or running permanent staff and operations on the mainland, requires a separate permit or licence.

Under Dubai Executive Council Resolution No. 11 of 2025, free zone companies can also operate in the part of Dubai outside the free zones with a licence or permit from DET. The resolution provides three routes: a branch licence inside Dubai, a branch licence operated from the free zone, and a temporary permit for certain activities. The financial records of the activity carried out outside the free zone are kept separately. Which sales need a permit depends on the activity and the form of the sale.

A change of structure requires a new formation

There is no procedure that converts a free zone company into a mainland company; moving across means a new licence, new formation costs, a new bank application and moving the visas to the new company. If your activity needs a venue inside Dubai or direct sales to local customers, choosing the structure on cost alone may lead to the cost of a second formation later.

03 Free Zones: IFZA, Meydan and DWTC

There are many free zones in Dubai, and each has its own authority, activity list and price. Ortac Global is a partner of three free zones: IFZA, Meydan and DWTC. All three are open to general trading and service activities; the differences lie in location, licence term options and price.

Free zone	Key features	Formation and 1-year licence	Multi-year upfront licence
IFZA	Headquartered in Dubai Silicon Oasis. Issues trading and professional licences; different activities can be combined in a single licence. Physical presence is not required during formation.	USD 5,120	Discount of 15% for 2 years, 20% for 3 years, 30% for 5 years
Meydan	All application and payment steps are carried out remotely. Its list includes more than 2,500 activities; three activity groups can be written into a single licence.	USD 5,300	Discount of 15% for 2 and 3 years
DWTC	Located in Dubai World Trade Centre, in Dubai's business district. Licenses more than 1,200 activities; offers different office options, from a co-working space to a commercial office.	USD 5,820	None; the licence is renewed every year

Amounts are Ortac Global's prices and exclude VAT. The discount applies only to the licence fee, when the licence is bought upfront for several years.

Meydan suits companies with limited need for a physical office that operate digitally; DWTC suits companies looking for a central address and a corporate image. Of the three free zones, the lowest starting price is at IFZA.

04 How We Manage Company Formation

We carry out every stage of company formation in a planned and coordinated way and follow the process through a single point of contact.

01 **Initial Meeting and Structuring**
We assess your business model, activity and objectives, and identify the country, company type and licence options that fit your needs.

02 **Application and Document Preparation**
We prepare the required documents, check the application requirements of the relevant authorities and complete your formation file.

03 **Company Registration and Licensing**
We handle company registration, the trade licence and related official procedures in coordination with the competent authorities.

04 **Bank Account Application Support**
We prepare the documents and application file required for a corporate bank account and support you through the bank's review. The final decision on opening the account rests with the bank.

05 **Post-Formation Procedures**
We support the corporate registrations your company needs to begin operating, residence and work permits where applicable, and the planning of accounting and tax processes.

Formation Steps in Dubai

In Dubai the process takes seven steps. The first three are the decision stage and are completed in the same meeting; the waiting time starts when the application is submitted to the authority.

1. **Company name:** Three candidate names are submitted in order of preference; the eligibility check and reservation are carried out by us.
2. **Activity and licence type:** The activity code and licence class are determined according to the product or service offered.
3. **Choice of structure:** Free zone or mainland; if a free zone is chosen, which free zone it will be is decided.
4. **Formation application and registration:** The articles of association and annexes are prepared and submitted to the authority; only your approval and signature are requested.
5. **Trade licence:** The licence is issued by the authority and the company can begin operating legally.
6. **Visa, medical fitness test and Emirates ID:** After the entry permit is issued you come to the UAE; the medical fitness test and biometrics are completed.
7. **Bank account:** The documents are prepared in the form the bank requests and the application is made; the decision to open the account rests with the bank.

Timing

In the formations Ortac Global carries out, the formation of a free zone company in Dubai is completed in 5-6 days on average, and that of a mainland company in 5 working days on average. Together with the visa application the process concludes in 14 days at most; with the days spent in Dubai, the total time reaches three weeks. If the activity code is subject to additional approval, the licence stage can take longer. The bank account is outside this timetable: its timing and outcome are determined by the bank.

About the process

Formation procedures, processing times and required documents may vary by country, activity and company type. Official approvals and bank account decisions are subject to the assessment of the relevant institutions. The timings given are average timings, not commitments.

05 Required Documents

All the documents requested for forming a free zone company are submitted digitally; no wet-ink signature or physical documents are required.

Documents requested from you

- Colour scan of the passport (valid for at least 6 months)
- Passport-style photograph on a white background
- Address declaration: a utility bill or proof of residence from the last 3 months
- Description of the business activity and target customers
- Three alternative company names, in order of preference

Procedures completed during the process

- Name approval and preliminary application documents
- Memorandum of association and share structure
- Trade licence application
- Medical fitness test and biometrics for the visa (in the UAE)
- Emirates ID application

If one of the shareholders is a company, that company's registration documents are also added to the application. Additional documents may be requested depending on the activity code and the authority you select. If translation or notarisation is required, the relevant list is stated separately in the proposal.

06 Cost Items

Ortac Global has no package structure for Dubai: the items you need are added to the base price. Formation starts from **USD 5,120**, including a 1-year licence. The figures below are not a market average; they are Ortac Global's 2026 prices.

Formation and first-year items

Item	Amount (USD)	Note
IFZA formation and 1-year licence	**USD 5,120**	Shared office address included
Meydan formation and 1-year licence	**USD 5,300**	Shared office address included
DWTC formation and 1-year licence	**USD 5,820**	Shared office address included
Visa	**USD 1,953** / person	Company owner or employee; optional
VIP visa service	**USD 800**	Recommended; stay in Dubai about 5 working days
Accounting	**USD 350** / month	**USD 3,500** if paid annually (10 months' price)

Amounts exclude VAT; VAT in the UAE is 5%. Only one of the three free zones is chosen.

As an example, the formation cost of a company set up at IFZA with a visa for its single shareholder is **USD 5,120** + **USD 1,953** = **USD 7,073**. With the VIP visa service added, the amount is **USD 7,873**. If accounting is paid annually, **USD 3,500** is added to this amount. If no visa will be obtained, the first item is sufficient on its own; a visa can also be added later.

Included in the formation fee

- Free zone trade licence
- Free zone shared office address
- Company registration and articles of association
- Name approval and preliminary application
- Document follow-up and client portal access
- One point of contact

Not included

- Annual licence renewal (second year)
- Physical office rent
- Flights and accommodation
- Family visa

Multi-Year Licence

In Dubai the licence is renewed every year. A discount on the licence fee applies if the licence is bought upfront for several years: at IFZA 15% for 2 years, 20% for 3 years and 30% for 5 years; at Meydan 15% for 2 and 3 years. At DWTC the licence is renewed annually only. The amount concerned is shown as a separate line in the quotation.

07 Residence Visa and Emirates ID

Your Dubai company allows residence permit applications for company owners, employees and family members; we handle the application and appointment processes for investor, partner, employee and family visas. The type of visa required and the number of people are determined at the first meeting.

For company owners

Investor and partner visa

A 2-year residence permit: an investor visa in a single-shareholder company, a partner visa in a company with multiple shareholders.

For your team

Employee visa

Each employee visa is deducted from the company's visa quota; it is handled together with the employment contract and work permit.

For your spouse and children

Family visa

The application is made once your residence permit has been issued; a family member's residence period cannot exceed your own.

Visa Quota

The number of people a company can obtain visas for is limited. The visa quota depends on the licence package and the type of office; a shared desk provides a limited quota, while a physical office provides a wider one. The number of people who need visas is determined at the first meeting and the package is chosen accordingly. Increasing the quota later requires a change of package or office.

Application Process

01 **Entry permit**

The entry permit application is made by our team. If you are outside the UAE, you enter the country with this permit; if you are already in the UAE, a status change procedure applies.

02 **Medical fitness test**

Mandatory for everyone over 18. The appointment is made by our team; the result is recorded directly on the application.

03 **Biometrics**

Fingerprints and a photograph are taken for the Emirates ID. This step cannot be carried out by proxy; you need to be in the UAE.

04 **Residence permit**

The residence permit and the Emirates ID are issued together on a single application.

05 **Emirates ID**

Your identity card is delivered. It is requested in most official procedures in the UAE, including banking.

The time you need to spend in Dubai for these procedures is about 10-12 working days with the standard service and about 5 working days with the VIP visa service. The appointment and approval timetable rests with the authorities concerned.

We recommend the VIP visa service

With the VIP service, our adviser accompanies you to the appointments and the medical fitness test is carried out at a VIP health centre; airport reception and private car transfers are included. The time you need to spend in Dubai falls from approximately 10-12 working days to approximately 5 working days, and planning the appointments with an adviser makes the process predictable. Because the accommodation and other costs of the shorter stay usually cover the service fee, we recommend the VIP service.

Protecting the Residence Permit

- **Period of validity:** Investor and partner residence is valid for 2 years; it is renewed before it expires.
- **Limit on time spent outside the country:** An investor or partner residence may lose its validity if you remain outside the UAE continuously for 12 months, and an employee residence after 6 months. Living in Dubai is not required, but you must enter the UAE before these periods expire.
- **Family residence:** A family member's residence period cannot exceed your own; when your residence is renewed, theirs is renewed as well.
- **Additional period after cancellation:** When a residence permit is cancelled or expires, an additional period is granted to remain in the country; the length of this period varies with the type of residence.

The visa decision rests with the UAE authorities

Visa approval cannot be guaranteed. We prepare the application in full, make the appointments and follow the process. Following the entry calendar is the responsibility of the residence holder.

08 Bank Account and Collection Channels

A corporate bank account in Dubai is opened in the name of a company that has completed formation and obtained its licence. The application is made to banks such as Wio, Mashreq, Emirates NBD and First Abu Dhabi Bank. The bank assesses the activity, the ownership structure, the source of the funds that will enter the account and the expected transaction volume. The information given needs to match the activity on the licence and the documents submitted.

We prepare the application documents in the form the bank requests and follow the process; if an application is rejected, an application is made to a second bank. For card and platform collections, channels such as Stripe, PayPal, Binance, Amazon Payment Services and Network International can be brought into use after the account is opened.

Account opening cannot be guaranteed

The decision to open an account rests with the bank concerned; no intermediary can commit to this decision. We recommend that a payment and collection plan is not started before the account is opened.

09 Tax Framework

Forming a company in Dubai does not mean operating free of tax. Corporate tax in the UAE is calculated on net profit, and free zone companies are also subject to this tax. The legislation provides a 0% rate for qualifying free zone companies, but its conditions are demanding and most small companies do not meet them; it is prudent to prepare the budget on the 9% rate.

Tax	Rate or rule	Note
Corporate tax	0% up to AED 375,000, 9% above	On net profit; free zone companies included
Corporate tax registration	Within 3 months of formation	Registration and a return are mandatory even if no profit is made
Corporate tax return	Within 9 months of the end of the tax period	Once a year

Tax	Rate or rule	Note
VAT	5%	Registration is mandatory if taxable supplies exceed AED 375,000 in 12 months
VAT return	By the 28th day following the period	The voluntary registration threshold is AED 187,500
Personal income tax	None	No income tax is levied on salary and dividends in the UAE

Companies whose revenue does not exceed AED 3 million may choose small business relief for periods ending on or before 31 December 2029; registration and filing obligations continue in this case too.

This table shows the general framework. Application varies according to your activity, the place where management is exercised, your residence and the type of income. We do not provide personal tax opinions.

10 Post-Formation Obligations

Formation is only the first step; afterwards, periodic obligations arise in accounting, tax and licensing. Every company must keep accounting records; there is no distinction between free zone and mainland on this.

Item	Amount (USD)	Scope
Corporate Tax Registration	**USD 400** · one-off	Completion of the registration with the Federal Tax Authority (FTA) within the statutory period.
VAT Registration	**USD 400** · one-off	It applies only when the necessary conditions are met.
Monthly Accounting Service	From **USD 350** · monthly	For companies with a high transaction volume, the fee may vary with the monthly number of transactions.
VAT Return	**USD 350** · each period	For VAT-registered companies, in quarterly periods.
Financial Year End and Corporate Tax Return	**USD 420** · annual	An annual tax compliance exercise carried out separately from monthly accounting.

Item	Amount (USD)	Scope
Audit	From **USD 1,400** · annual	At IFZA, Meydan and DWTC, financial statements are submitted at every licence renewal; companies above a certain turnover or headcount must have them audited.
Annual Company Licence Renewal	Separate line in the quotation	The amount depends on the free zone, the activity, the office type and official fees.

Amounts exclude VAT; they are updated if official fees change. Which items arise for your company depends on your activity, licence and transaction volume.

Annual renewal is mandatory

Failing to renew the licence before it expires may lead to penalties and put the bank account at risk. Planning the second-year renewal in advance is recommended.

11 Shareholders Resident Outside the UAE

Forming a company in Dubai does not automatically change your tax position in your country of residence. A person who remains tax resident in their home country may be required to declare income earned abroad there. Whether a double taxation treaty exists between your country and the UAE, and how it applies, should be assessed together with that country's rules.

Where the company is actually managed is also assessed separately. If the place where decisions are taken, contracts are signed and the activity is carried out is your home country, a tax liability may also arise there for the Dubai company. Four factors decide the outcome: the real activity, the place of management, your residence status and the type of income.

Ways of transferring profit to the shareholder

Route	How it works	Point to consider
By invoice	Your company in your country of residence issues a service invoice to the Dubai company.	A transfer pricing structure and a service agreement are required.
By dividend	The Dubai company distributes the period profit to its shareholder.	Assessed under any double taxation treaty between your country of residence and the UAE.

Route	How it works	Point to consider
By salary	The company pays you a salary through payroll.	Your residence status directly affects the tax outcome.

This section is not personal tax advice; we recommend that you assess your position with a tax adviser in your country of residence before formation.

12 Common Mistakes in Formation

- **Choosing the structure on price:** A free zone licence is not sufficient for a business that will open a shop or restaurant inside Dubai; changing the structure means a new formation.
- **Choosing the activity code too broadly or incorrectly:** The bank assesses whether the activity on the licence matches the actual activity.
- **Leaving the number of visas for later:** The quota depends on the licence package; increasing it requires a change of package.
- **Treating the bank account as certain:** The decision belongs to the bank; a payment and collection plan should not be started before the account is opened.
- **Preparing the budget on the assumption that there is no tax:** 9% corporate tax applies to profit above AED 375,000 and 5% VAT to sales.
- **Leaving out the second year:** The licence is renewed every year, and accounting and filing obligations continue every year.
- **Leaving the home-country tax side until after formation:** Tax residency and place of management should be assessed before formation.

13 About This Document

This guide is for general information only and is not personal tax, legal or immigration advice. Prices are Ortac Global's prices and exclude VAT; timings are average timings, not commitments. Free zone rules, fees and tax legislation may be changed by the relevant authorities.

This document was prepared in October 2026. For current information and an itemised quotation, you can contact Ortac Global's Dubai office.

Email dubai@ortacglobal.com

Telephone +971 5628 66 466