



ANSH LEGAL



DOING BUSINESS IN UAE - FREE
ZONE: Dubai Cars & Automotive
Zone (DUCAMZ) Free Zone



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Dubai Cars & Automotive Zone (DUCAMZ) Free Zone

- Established in 2000, the Dubai Cars & Automotive Zone (DUCAMZ) serves to re-export second hand vehicles, equipped with the modern network of highways and easy access to Dubai International airport in addition to Jebel Ali Port.
- Covers 8 million sq.ft
- DUCAMZ is managed by JAFZA, investing in promising technologies to provide entrepreneurs with an efficient infrastructure to meet the demands of the automotive industry.
- All activity must be related to the sale of vehicles, and companies should apply for a trading license to be integrated within DUCAMZ. Having retained the reputation as the largest automotive free zone in the world and the second largest in the Middle East, the automotive retail sector grew by more than 6.5% in 2014. Automotive sales declined following the introduction of 5% VAT, but recovered in 2019 with a 6.2% growth from the year before; Toyota takes the lead in the Gulf, followed closely by Nissan and the premium Mercedes.

Benefits of Setting up a Business in DUCAMZ

- ⊠ Complete repatriation of profits and capital
- ⊠ No restrictions on car imports
- ⊠ Attractive work environment
- ⊠ Quality service support from Insurance and Banking
- ⊠ Economical freight charges
- ⊠ 100% foreign ownership
- ⊠ Availability of skilled workforce
- ⊠ Exemption from corporate tax, export tax, service tax, personal income tax for 50 years
- ⊠ No currency restrictions

Licensing Options in DUCAMZ

- **Trading/Commercial License** (Exempt from 51%-49% rule as opposed to non-freezone LLC)

Allows the licensee to import, export, sell, distribute and store items specified in the License.

- **Service License** (Inclusive of related services: law firms, accountancy, banking, insurance, consultancy)

Allows the licensee to carry out services specified in the license within the DWC Free Zone and elsewhere in the UAE

- 100% Ownership in both cases

Company Formation

- Minimum of 2 shareholders with a maximum of 5 - no local partner needed
- Minimum capital requirement of AED 100,000
- To operate in DUCAMZ, a valid trading license is required. This may be issued within 3-4 weeks of application.
- Exports are divided into right-hand (mainly Indian/African markets) and left-hand vehicles.



Industry Options

- Technical Services
- Money Exchange
- Health Care
- E-Commerce
- Accounting
- Oil and Gas
- Finance
- Construction
- Insurance
- Real Estate
- General Trading
- Consultation



Documents Required to Set Up a Business in DUCAMZ for a free zone company

- Proof of trade name registration
- Proof of initial approval before commencing inauguration
- A Memorandum of Association and/or Articles of Association for corporate shareholder/applicants must be provided. This must be notarized by the UAE Embassy in the country of origin
- Passport copies and CVs for managerial staff
- Certificates of registration for the corporate shareholder/applicants from the Registrar of Companies in the origin country
- The individual shareholders must provide the passport copies
- PIS (PersonAL Information Sheets) for each manager
- Leased space - documents needed for proof of lease
- The physical address of each corporate shareholder/applicant must be provided
- Resolution from board of directors/shareholders to indicate intent to set up a business in UAE

Documents Required to Set Up a Business in DUCAMZ as a corporate applicant

- Valid trade license.
- Chamber of Commerce certificate for parent company.
- Proof of lease of business office.
- A trade name must be registered for the new branch and proof of registration provided.
- Managers must provide passport copies and C.V.
- There must be initial approval from the authority before business formation activities begin.
- Passport copies for the managers/applicants.
- A Memorandum of Association for the parent company (main branch) notarized by the UAE Embassy in the origin country.
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- Notarized resolution from board of directors.
- Physical address of parent company.
- Notarized Power of Attorney.
- A Personal Information Sheet (PIS) must be completed for each shareholder and manager.

Business Set up Costs

Registration and Setup Fees	Fee (in AED)
Application Fee	525
Innovation Fee	20
Registration	10,000
Specimen Signature	100
Board Resolution	200

Visa Allocation	Fee (in AED)
Employee Deposit	1.5% of salary
Residence Visa	4500
Residence Visa Out of Country	4000
Medical Test and Emirates ID Application	1250

Business Set up Cost

License Costs	Fee (in AED)
Commercial License	5500
Branch Office Setup	5500
Branch of Foreign Company	5500
Utilities Fees	1500
Chamber of Commerce Fees	2200
Computer Immigration Card	2000
Online Application	2200



About ANSH

Ansh Legal through its offices in the UAE and UK has a large network of affiliated law firms, corporate services firms, management consultants, tax advisers and professionals in several jurisdictions where its clients operate or have their assets or business interests. We actively advise several multi-national conglomerates, funds, family offices and high net worth individuals. Our lawyers have been advising several banks, financial institutions, governmental authorities and bodies and multi-national conglomerates over the past several years.

Being a multi-service law firm registered with Abu Dhabi Global Market Authority in the UAE and the Companies House, UK, the firms together assist on UAE and Indian law matters and coordinate advise on other jurisdictions through local experts. Our key practice areas are:

❑ Corporate

- Cross border investments
- Corporate mergers & acquisitions
- Funds
- Start-ups
- General Corporate & Commercial

❑ Finance

- The full spectrum of debt financing – bank lending, secured financing, margin financing, structured financing, leveraged and acquisition financing, infrastructure finance
- Securities and capital market matters including start-up funding, private placements
- Crypto and block chain technology
- Secondary market matters
- Insolvency and restructuring

❑ Financial regulatory

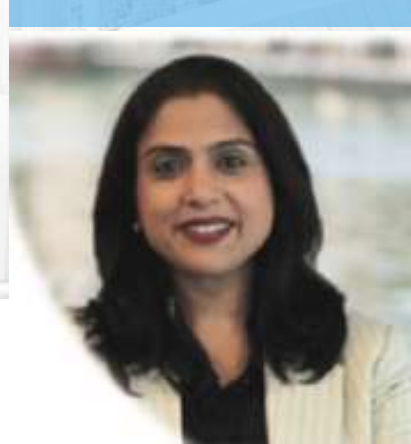
❑ General

- Succession and estate planning
- Technology and media
- Healthcare
- Commercial contracts
- Employment matters
- Dispute resolution advisory and support

Team



Aditya Shroff
Director



Nicole Shroff
Director



Deepa Variava
Director
Marketing and Business
Development