

UAE BUSINESS FORMATION GUIDE

Company Setup *Checklist*

Complete UAE Business Formation Requirements — Mainland, Free Zone & Offshore

Prepared for Clients & Business Owners

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SECTION 01 — INTRODUCTION

A Trusted Roadmap to UAE Company Formation

Setting up a company in the UAE requires proper documentation, approvals, and strategic planning. This checklist is designed to help clients prepare all required information and documents smoothly for fast company incorporation — whether you are establishing in the mainland, a free zone, or an offshore jurisdiction.

<p>3-14 DAYS · TRADE LICENSE ISSUANCE</p>	<p>100% FOREIGN OWNERSHIP · MOST ACTIVITIES</p>	<p>2,000+ APPROVED BUSINESS ACTIVITIES</p>
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i Estimated Setup Timeline

JURISDICTION	TYPICAL DURATION	NOTES
Mainland (DET)	7 – 14 days	Excludes external approvals (DHA, KHDA) & document attestation
Free Zone	3 – 7 days	Fastest route; flexi-desk options widely available
Offshore	5 – 10 days	For international holding & asset protection structures
Document Attestation	+ 2 – 6 weeks	For foreign documents requiring legalisation chain




ii Types of Business Licenses

 <p>Commercial Trading & goods</p>	 <p>Professional Services & expertise</p>	 <p>Industrial Manufacturing</p>	 <p>E-commerce Online retail</p>	 <p>Consultancy Advisory services</p>
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SECTION 01 — JURISDICTION OPTIONS

Mainland • Free Zone • Offshore

Selecting the right jurisdiction is the most strategic decision in the formation process. Each option offers distinct advantages in ownership, market access, costs and operational scope.

 <p>Mainland</p> <p>Operate freely across the entire UAE market. 100% foreign ownership now allowed for most activities under Federal Decree-Law No. 26 of 2020. Wider scope of business activities available.</p>	 <p>Free Zone</p> <p>Fast, cost-effective setup with flexi-desk and warehouse options. Tax incentives for Qualifying Free Zone Persons and streamlined procedures for international trade.</p>	 <p>Offshore</p> <p>Ideal for international holding structures, asset protection and global operations without local UAE trading presence required.</p>
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STEP ONE

Define Your Business Activity

Select from over 2,000 approved business activities. Your choice determines the license type, regulatory approvals, and the governing authority.

<p>Identify primary activity Trading, services, manufacturing, etc.</p> <p>Confirm activity code Verify with DET / Free Zone Authority</p>	<p>List secondary activities Group only compatible activities</p> <p>Check special approvals Healthcare, education, finance, media</p>
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SECTION 02 — FOUNDATION

Defining the Business Framework

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STEP TWO

Select Your Jurisdiction

The right jurisdiction balances cost, ownership rules, market access and operational flexibility.

Mainland (DET)

Full UAE market access

Offshore

International holding structures

Review activity restrictions

Some activities mainland-only

Free Zone

100% ownership · flexi-desk · tax benefits

Compare costs & visa quotas

Match jurisdiction to growth plan

Plan office location

Affects costs & banking

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STEP THREE

Select the Legal Structure

Your structure governs liability, ownership, capital requirements and the scope of compliance obligations.

Limited Liability Company (LLC)

Most common for mainland

Free Zone Company (FZ-LLC / FZE)

Single or multi-shareholder

Offshore Entity

Holding & international trade

Sole Establishment

Single owner, professional

Branch / Representative Office

Foreign parent extension

SECTION 03 — IDENTITY & APPROVALS

Securing Name & Initial Approvals

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STEP FOUR

Reserve a Trade Name

Your trade name represents your brand and must comply with UAE naming guidelines.

Prepare 3 – 5 name options

In order of preference

Reflect business activity

Clear and distinguishable

Pay reservation fee

Government & trade name fees

Avoid restricted terms

Religious / political / offensive

Submit to authority

DET or Free Zone Authority

Receive certificate

Valid reservation period applies

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STEP FIVE

Obtain Initial Approval

The Initial Approval Certificate is the government's no-objection letter, allowing you to proceed to final licensing.

This step applies to Mainland setups only — Free Zone authorities handle approvals internally as part of their integrated process.

Submit application

Online portal of DET (Mainland)

Receive Initial Approval

Valid period to complete next steps

SECTION 04 — DOCUMENTS & PREMISES

Documentation & Office Setup

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STEP SIX

Required Documents

Documentation is the backbone of your application. Inconsistencies in spelling, dates or numbers are the most common cause of delays.

Passport copies

All shareholders, valid 6+ months

UAE visa & Emirates ID

If already a UAE resident

Passport-size photographs

35 × 45 mm, white background

NOC from current sponsor

If employed in the UAE

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STEP SEVEN

Secure Office Space

A registered address is mandatory. Mainland companies require an Ejari-registered tenancy contract; free zones offer flexi-desks, dedicated offices and warehouses.

Identify premises type

Office · flexi-desk · warehouse

Ejari registration (mainland)

Dubai Land Department

SECTION 05 — LICENSING & BANKING

License Issuance & Bank Account

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STEP EIGHT

Apply for Trade License

Final submission of all documents and payment of license fees. Your trade license is the official authorisation to operate in the UAE.

Submit final application

DET portal or free zone authority

Pay license & registration fees

Government & authority fees

Receive trade license

Commercial · Professional · Industrial

Establishment Card

Required for visa quotas

Memorandum & Articles of Association

MOA / AOA — issued with the licence

Share Certificate

Proof of shareholding allocation

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STEP NINE

Open Corporate Bank Account

Banks apply rigorous KYC and source-of-funds checks. Strong documentation accelerates approval.

Trade license & MOA

Original copies

Shareholder & director KYC

Passport, address, CV

Source of funds

Bank statements, salary, invoices

Board resolution to open account

Authorised signatory list

2026 Banking Note: Banks increasingly scrutinise virtual-office arrangements. A traditional physical office significantly improves corporate bank account approval chances.

SECTION 06 — VISAS, TAX & COMPLIANCE

Activating Your Operations

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STEP TEN

Visas & Emirates ID

Investor, partner and employee visas allow you and your team to live and work in the UAE. Biometric registration requires physical presence.

Establishment Card activation

ICP / immigration

Status change & medical exam

Dubai Health Authority

Residence visa stamping

Final issuance

Entry permit issuance

Investor / partner / employee

Emirates ID biometrics

Fingerprints & photo

Family / dependent visas

Once principal visa is issued

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STEP ELEVEN

Tax & Regulatory Registration

Federal Tax Authority registration is mandatory regardless of profit levels. Maintain compliant records from day one.

Corporate Tax registration

EmaraTax · 9% above AED 375,000

VAT registration (mandatory)

Above AED 375,000 turnover

Tax Registration Number (TRN)

For invoicing and filings

VAT registration (voluntary)

From AED 187,500 turnover

SECTION 07 — ONGOING COMPLIANCE

Maintaining Good Standing

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STEP TWELVE

Ongoing Compliance & Renewals

Annual obligations protect your license, visas and good standing with UAE authorities.

Annual trade license renewal

DET / Free Zone Authority

Ejari renewal (mainland only)

Tenancy continuation

Visa & Emirates ID renewals

Every 2 – 3 years

COMMON PITFALLS TO AVOID

- **Inconsistent shareholder details** — names, passport numbers and dates must match across every document.
- **Missing UBO declaration** — a frequent rejection trigger, especially for multi-layer corporate structures.
- **Skipping legalisation chain** — foreign documents must be fully attested before submission.
- **Underestimating timelines** — external approvals and bank onboarding can extend beyond licensing.



Let's *Build Your Business* in the UAE.

Your dream of becoming an entrepreneur in the UAE is closer than you may imagine. The AB Capital team guides you through every step of the formation process — from activity selection and documentation to licensing, banking, and post-incorporation compliance. Schedule a consultation today to receive a tailored setup plan.

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