

STARTING A BUSINESS IN UNITED ARAB EMIRATES

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“ A Day Without Business Services is like a Day Without Sunshine.”

Ras Al Khaimah Economic Zone Company set up Business Guide

2022-2023

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DIBN BUSINESS SERVICES

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Ras Al Khaimah Economic Zone (RAKEZ)

Ras Al Khaimah Economic Zone (RAKEZ) is a government initiative to consolidate 2 free zones: RAK Free Trade Zone (RAKFTZ) and [RAK Investment Authority \(RAKIA\)](#). Under the guiding vision of His Highness Sheikh Saud bin Saqr Al Qasimi, United Arab Emirates Supreme Council Member and Ruler of Ras Al Khaimah, RAKEZ is based in the heart of Ras Al Khaimah. The RAK government aims at merging both the RAK free zones along with their 13,000 clients, making it the biggest free zone in the entire UAE.

RAK Free Trade Zone was established in the year 2000 and the RAK Investment Authority in the year 2005, and both these free zones were contributing to the development of the emirate of Ras Al Khaimah. But taking the development to the next level, both the authorities decided to merge the free zones in order to expand their economic development, and formed Ras Al Khaimah Economic Zone (RAKEZ) in the year 2017.

RAKEZ provides a platform for local as well as foreign investors to diversify their investment and help them to penetrate local, regional and international markets by setting up a company in the free zone region. Companies in RAKEZ get a strategic location and gain access to many growing markets of the Middle East, South Africa, Europe as well as South and Central Asia.

Advantages of Business Setup in RAKEZ

- Setting up a business in RAKEZ has the following advantages:
- 100% exemption from corporate and personal income tax
- Companies enjoy the freedom of 100% foreign ownership and full profit repatriation
- Customs duty is exempted on re-exported goods
- Flexi-facilities available at a very low cost
- Warehouses are available at cost-effective prices. Warehouses are available in a variety of sizes, located in proximity to seaports and airports
- Unlimited space is available to grow your industrial operations with plots of land for development

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Business Licenses in RAKEZ

1. Commercial License

Investors can register their trading company under a commercial license in RAKEZ. This license allows an entrepreneur to deal in trading of goods. The company can be registered as a free-zone entity or a non-free zone entity, as per the entrepreneur's preference.

2. Educational License

An educational license permits an investor to enter into the education business. By registering one's educational institute under the educational license, an investor can open any kind of education-related company in RAK Economic Zone.

3. E-Commerce License

RAK free zone offers e-commerce license for business owners, through which they can trade their goods and services via an online portal/platform.

4. General Trading License

In order to increase their limit of goods, traders or business owners can register for a general trading license in RAKEZ.

5. Professional/Service License

A professional license is provided to those who are providing professional services in RAKEZ. The owner of a professional company is required to have a specific specialty or expertise. A service license permits its holder to carry out services or consultancies across any industry in RAK free zone.

6. Industrial License

Companies which have their operations in manufacturing, importing, packaging or exporting products can opt for an industrial business license in RAK Economic Zone.

7. Media License

To encourage media related industry and attract more investors for the media industry, RAK Economic Zone issues media license. Business owners who are involved in the production of media-related activities can get a media license for their business.

8. Tourism License

A tourism license is exclusive to tourism-oriented business activities in RAKEZ.

Permissible Legal Entities in RAK Free Zone

RAK Economic Zone has 4 types of legal entities under its authorization:

1. Free Zone Establishment (FZE)

One shareholder or single ownership

2. Free Zone Company (FZC)

2 to 5 shareholders or partnership business

3. Branch of a Local Company

For a branch of a company registered in the UAE

4. Branch of a Foreign Company

For a branch of a company registered outside the UAE

Procedure for Business Setup in RAKEZ

RAKEZ is a fertile place to start your business in the UAE. You need to follow 3 steps in order to set up your business in RAKEZ

1. Choosing the Right Package

The first step is selecting the correct entity, facility, and license. Selecting the correct entity, facility and license will set your package for the business. This will finish 25% of your business setup process.

2. Submission of Application and Documents

For this step, DIBN can guide you through all the procedures and guidelines of the business setup in RAKEZ. In order to make sure that all the requirements are met and all the documents are arranged from your side, DIBN will perform a check the portfolio, in accordance with the updated corporate law.

After submitting all the documents, you will receive a notification from the authority to move towards the next step, i.e., payment of fees. You can choose any one of the 3 payment options:

- Direct cash payment at the Free Trade Zone office
- Bank transfer to the account details mentioned on your invoice
- Online payment the official website

3. Issuance of Business License

The final step would be collecting your business license, along with your registration set and bank letter, upon completion of the licensing formalities. After this, you can start your visa application process.

Commercial	Trading in Service and goods		Y	Y
Educational	Opening an education-related Institution or consultancy company		Y	N
E-Commerce	Trading in goods and service via electronic means		Y	N
Professional	For individuals who provide professional services		N	Y
Service	Conducting services or consultancies across any industries		Y	N
General Trading	Trading in multiple goods		Y	N
Freelancer Permit	For media, education, IT and analysts professionals		Y	N

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