

**SUMMARY OF  
JAFZA\* OFFSHORE COMPANIES REGULATION 2003**

\* Jebel Ali Free Zone (JAFZA)

<b>Sr</b>	<b>Item</b>	<b>Key Issues</b>
1	Identity	Natural Person
2	Shareholders/Members	1 or more
3	Permitted Activities	<p>a. All except banking, insurance, reinsurance, insurance broker / agent</p> <p>b. Not permitted to deal with anyone in UAE or carry out trade in UAE or UAE Free Zones (except for routine banking, legal, accounting, audit, management services with any UAE based institution or individual)</p> <p>c. Can not hold property in UAE except approved properties.</p>
4	Liability	Members liability shall be Limited
5	Name	Should end with Limited (govt. & such names not permitted)
6	Shares	<p>a. No bearer shares permitted &amp; only single class of shares permitted</p> <p>b. Shall rank equally in respect of rights with other shares and carries proportionate voting rights</p> <p>c. Must be fully paid when allotted. However no restriction on minimum no. &amp; value of shares</p> <p>d. Can be subdivided, consolidated, cancelled</p> <p>e. Co. can purchase it's own shares subject to certain conditions</p>
7	Registered Office	Shall be own office in JAFZ or it's registered agent's office in JAFZ or in Dubai
8	Registered Agent	In JAFZ or Dubai
9	Directors	<p>a. Not less than 2 directors (above 18 yrs of age, not a corporate director)</p> <p>b. Director to disclose interests in transactions proposed to be entered into by the Co. and no loans to be given to Director except with 90% majority resolution of members</p> <p>c. Can appoint Alternate Director</p>
10	Secretary	1 secretary (director can also be a secretary)
11	Meeting	<p>a. Does permit "tele-conference" meetings subject to certain conditions</p> <p>b. At least 1 General Meeting once a year (1<sup>st</sup> meeting within 18 months &amp; not more than 18 months gap between subsequent meetings)</p>

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12	Accounts	<p>a. Need to maintain accounts as per accepted practices</p> <p>b. To keep accounting records for 10 years</p> <p>c. Accounting records can be kept at a place Directors think fit</p> <p>d. 1<sup>st</sup> year can be 18 month period</p> <p>e. To finalise, approve &amp; get it audited within 6 months of the end of the financial year</p>
13	Auditor	<p>a. 1<sup>st</sup> Auditor to be appointed by Directors upto 1<sup>st</sup> General Meeting thereafter by the members in General Meeting shall appoint auditors</p> <p>b. Audit shall be as per laid down guidelines</p> <p>c. Report shall include Directors Report, accounting principles used, appointment / remuneration, rights , duties of the Auditor</p> <p>d. Auditor resigning shall send a statement as required by law to the co.</p>
14	Dividends	Can be distributed only out of profits. No restrictions except if company unable to meet it’s liabilities in due course or going bankrupt.
15	Taxes	Exempted from Income / Corporate Tax
16	UAE Visas	Visas are not granted under this company sponsorship to any person unless the company takes up it’s own office premises in Jebel Ali Free Zone
17	Winding Up	<p>a. Summary winding up on passing of resolution</p> <p>b. Creditors winding up in case of insolvency</p>
18	Strike Off	<p>a. Offshore Co. name can be struck off the register for non payment of fees</p> <p>b. In the event of striking off, the liabilities of the company remains as it is</p> <p>c. Can be restored within 2 years of striking off</p>
19	Offences &	Monetary fines in the event of non-compliance with