Naar Saudi

GUIDE

Setting up a company in the UAE

Mainland or free zone: what the difference is, what it costs and what to look out for.

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This guide is intended to support a conversation: within a few minutes you will see which route suits you and which questions you should ask before you pay anyone. All amounts are indicative and in AED (dirham).

1. The core difference: mainland or free zone

	Free zone	Mainland
Licence issued by	The zone authority (e.g. IFZA, DMCC)	The emirate's department (Dubai: DET, formerly DED)
Market access in the UAE	Limited: selling directly to local customers often goes through a distributor or requires an additional licence	Full, including for government contracts and retail
Ownership	100% foreign	100% foreign in most activities; a local sponsor is no longer required
Office	A flexi-desk or virtual address is often sufficient	A physical office with a tenancy contract (Ejari) is usually mandatory
Visas	Tied to the package (often 0 to 6)	Linked to the office space
First-year costs	Around AED 13,000 to 25,000	Around AED 25,000 to 60,000 or more
Lead time	A few days to around 2 weeks	Around 1 to 4 weeks, depending on activity and office
Suitable for	Consultancy, software, international trade, start-up entrepreneurs	Local customers, government, shops, hospitality, companies growing rapidly in the UAE

Decision aid in four questions

- **Who are your customers?** Mainly international or online: free zone. Mainly in the UAE: mainland.
- **Do you need a physical office or shop?** Yes: mainland. No: a free zone is cheaper.
- **Do you work for the government or large local parties?** Then mainland is often the only route.
- **How many people do you want to relocate?** More visas quickly call for a more expensive package in a free zone, and for more office space on the mainland.

2. What does it cost (indicative, first year)

Free zone, example: IFZA (2026 list prices)

Item	Amount (AED)	Remarks
Licence without visa	12,900	Per year, including VAT
Licence with 1-visa quota	14,900	2 visas: 16,900; 3 visas: 18,900
Establishment card	2,000 to 2,500	Required as soon as you apply for visas
Visa per person (2 years)	3,750	Plus medical (around 870) and Emirates ID (around 370)
Licence renewal	Same as year 1	Visa renewals separate, around AED 3,000 to 4,000 per 2 years
Realistic total, 1 person	**Around 21,000 to 23,000**	**Licence with 1 visa plus all additional costs, excluding service provider**

Mainland Dubai (range; sources vary widely)

Item	Amount (AED)	Remarks
Licence (DET)	10,000 to 25,000	Depending on activity
Office and Ejari	12,000 to 40,000+	Flexi-desk from around 15,000, Ejari itself around 220
Approvals, name reservation	150 to 3,000	Initial approval is the cheapest part
Memorandum of association (MOA), notarised	1,500 to 4,000	For an LLC
Visa per person	3,500 to 8,000	Varies by provider
PRO and typing	2,000 to 5,000	If you outsource this
Total first year	**Around 25,000 to 60,000+**	**Excluding service provider and bank charges**

Bank account, tax and time

- **Bank account:** often the longest step. Allow several weeks, and in some cases longer. Free zone companies sometimes get more questions from the bank.
- **Corporate tax:** 9% on profit above AED 375,000. Free zone companies can obtain 0% on qualifying income, but only subject to conditions. Registration and record-keeping are mandatory even at 0%.

- **VAT:** 5%, with a registration requirement above a turnover threshold.
- Have the tax rules checked by an adviser. They change frequently and depend on the individual situation.

3. Pitfalls and questions for a service provider

Where entrepreneurs pay too much

- **Government costs and service fees mixed together.** The licence costs the same with every provider. The difference lies in what the service provider charges for arranging it. Ask for a quotation in which the two are shown separately.
- **Packages that are larger than your situation requires.** A starter rarely needs a bookkeeping package for 150 to 250 transactions a month. First ask how many transactions are included.
- **Items that are optional but already on the quotation.** Think of health insurance and a VIP version of the medical examination.
- **Support you will not use later.** Hand-holding and arranging appointments are useful, but you can also do these yourself or buy them separately.
- **Unclear items.** For each line, ask what the government charges and what the provider charges.

Questions to ask before you pay

Question	Why
Which free zone or which emirate, and why this one?	Prices and rules vary greatly from zone to zone.
What are the government costs and what is your fee?	This allows you to compare quotations fairly.
Is the bank account included, and who arranges it?	This is usually the most difficult step.
What does year 2 cost?	Renewal, visas and administration recur every year.
What happens if the bank rejects my application?	Many providers still charge the full fee in that case.
What can I do myself, and what has to go through you?	Sometimes part of it can simply be arranged yourself.

The UAE as a springboard to Saudi Arabia

A UAE company does not give access to the Saudi market. For that you need a separate registration with MISA. The UAE can, however, be a practical regional base: a banking relationship, a network and experience before you embark on the larger undertaking in Saudi Arabia. You will find the cost calculator for Saudi Arabia at naarsaudi.nl.

Please note: this guide is general information and not legal or tax advice. Amounts are indicative list prices from providers, as at October 2026, and may vary by zone, activity and provider. Check the current rates with the zone authority or the emirate's department before you decide.

Want to discuss your situation? Book a free introductory call via naarsaudi.nl/en/ or email info@naarsaudi.nl.