

DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC)

DIFC free zone authority

The Dubai International Financial Centre (DIFC) was established in 2004. The DIFC's unique feature that differs from other free zones is that it has its own independent legal system and courts with its own civil and commercial laws. The principal governing body of the DIFC is the DIFC Authority. The financial services regulator is the Dubai Financial Services Authority (DFSA), which regulates the conduct of financial services in and from the DIFC.

Legal Entities:

- Company Limited by Shares (LTD) – A LTD is permitted to raise capital by offering shares by way of a public offer and can issue securities. A minimum of one shareholder is required.
- Limited Liability Company (LLC) – A LLC may not become regulated by the DFSA and may not issue securities. A minimum of one member is required.
- Recognised Company (RC) – A RC is a registered branch of an existing foreign company within the DIFC. A RC is not considered to be a separate legal entity and therefore is a mere extension of the foreign incorporated company.
- Limited Liability Partnership (LLP) – A LLP may be established by two or more persons who should be members of the LLP. The liabilities of the members are limited to the extent of their contributions to the LLP.
- General Partnership (GP) – A GP is formed by two or more persons and all partners are jointly and severally liable without limitation, for the debts and obligations of the partnership.
- Limited Partnership (LP) – A LP is formed by two or more persons and must include at least one general partner whose liability will be unlimited and one limited partner whose liability shall be limited to the contribution made by it to the LP.
- Non-regulated entities – companies that are established in the DIFC but are not engaged in carrying financial services. Such entities include holding companies, companies carrying out proprietary investments, companies carrying out activities of a support or back-office nature, service providers such as recruitment agencies, restaurants, coffee shops and bars.

Significant Information:

- A business license is valid for one year. After a year has passed, the business must renew its license.
- Filing of yearly audit reports is mandatory.
- Business licenses can be modified if requested by the holder of the license as long as the approval process is completed.
- The main currency within the DIFC is the US dollar. All government fees can only be settled in the US Dollar.
- The base capital requirement depends entirely on the type of financial services a company will conduct. The capital can start from \$10,000 and can go up to \$10 million.
- DIFC offers wide range of activities from banking, financial services, insurance, wealth & asset management, brokerage & capital markets, professional service providers, corporate offices and retailers