

# How to Start a Trading Company in UAE?



**AURION**

Business Consultants

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# About the E-Book

## E-Book Objective

This quick guide covers all what you need to know for starting a trading company in the UAE.

It covers the company formation, specific business setup procedures, required government clearances, and regulations to follow.

The guide is exclusively created for highlighting the steps involved in effectively setting up a trading company in the UAE.

## What does this E-Book Cover?

- ✓ How to start a trading company in the UAE
- ✓ Setting up a Trading Company - Things to Know
- ✓ Starting an Import Company in UAE
- ✓ Import to the UAE Free Zone
- ✓ Exporting from UAE to the International Market

## Who is this E-Book for?

- ✓ This quick guide is tailor-made for any one who is interested in starting a trading company in the UAE.
- ✓ It gives u a glance of the basic procedures and regulations to be followed to successfully setup and operate your trading business in the UAE



# How to Start a Trading Company in the UAE

## Top Imports to UAE

Trading is one of the major business sectors in Dubai. Import & Export to and from the international markets is significantly supporting UAE's economic growth and acts as a constant growth driver for the UAE's business landscape.



Food Stuffs



Precious Metals



Heavy Machinery



Engineering Equipment

## How can a Free Zone Company Trade in the Local UAE Market?

- ✓ Appoint a local distributor with a DED authorized trade license
- ✓ Export goods to a local UAE Company from the Free Zone
- ✓ Set up a branch of the Free Zone Company ( 100% Subsidiary)
- ✓ Form an LLC Company in the Mainland with UAE National Sponsor (51% share), foreign owner (49% share)



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# Setting up a Trading Company – Things to Know

## Steps for setting up a Trading Company

- Apply for a general trading or specific trading license based on the business activity and products
- Select the right business jurisdiction – Mainland or Free Zones ( They are governed by different laws and regulations)
- Submit the required documents to the concerned authorities to get your trade license



Mainland companies are governed by the Department of Economic Development (DED). To conduct trade in the local market of UAE, the company must be having a DED authorized trade license.

If the company is registered in any of the Free Zones of the UAE, there are some regulations in the trading activities. Companies in the Free Zones are governed by different laws and regulations of the respective free zones.



In case of international trade, the Freezone companies can directly export the goods from the Free Zone to the international market via the Seaports or Airports of UAE by initiating the Customs clearance and other document clearances for the export.

# Starting an Import Company in UAE

## Customs Registration and getting Import/Export Code

Foreign entrepreneurs can open trading companies in Dubai mainland or in any of the Free zones of UAE.



## Documents Required – Importing Goods to UAE

To import goods to UAE, the following documents have to be submitted to the UAE Customs.

- ✓ Declaration form for import of goods
- ✓ Specific Permit in case of importing certain restricted goods
- ✓ Delivery order with the details of the shipment
- ✓ Invoice accompanying the merchandise details.
- ✓ Detailed Packing list
- ✓ Certificate of origin for the Shipment
- ✓ Trade license of the Importer
- ✓ DFSA (Dubai Financial Services Authority) declaration issued by Dubai Customs Services

## Import and Export Code in UAE – Things to Know

- The company has to apply for a trade license from any of the Free Zones of UAE or from Mainland of UAE (DED) and register the company with the Customs Department of Dubai to initiate the import/export business
- Along with the approval of the trade license, customs registration clearance is to be processed and the Import/Export code has to be issued from the customs Department
- All companies with a valid trade license have to obtain import/export codes to initiate any kind of import/export activities in and out of the UAE

# Import to the UAE Free Zones

## Import/Export in Free Zones of UAE

The Freezones in the UAE are within the territory of UAE geographically but are considered outside the scope of UAE Customs territory.

However, there are certain conditions and requirement in order to conduct import-export business via a Free Zone in The UAE.

For import/Export business between Freezone and a foreign company, the Freezones are exempted from customs duties while shipping your goods to the UAE



## Import/Export Business Between Free Zone Company and a Local UAE Company

The importer should have an importer code and goods should be the same as that is mentioned in the trade license of the company

- Goods should reach the destination within 72 hours of the customs declaration
- Goods have to be checked by the Customs before entering the Free Trade Zone
- The Customs-Clearance Letter has to be submitted to the concerned Freezone Authorities to store the goods in the Freezone warehouses for trading in the UAE market.

# Exporting from UAE to the International Markets

## Exporting & Re-Exporting from UAE to the International Markets

Dubai has grown from a regional trading centre to one of the most successful commercial hub of the world.

As Dubai is diversifying its economy and reduce the dependence on Oil production. The trading sector is a key focus area for Dubai to streamline its growth.



The vast range of manufacturing facilities, warehouses, logistic support, availability of labour etc. is triggering investors to increasingly look into exporting & re-exporting from UAE to other markets.

The UAE's global free trade agreements ensure solid ties with many of the world's most established as well as developing markets resulting in vast opportunities for the export companies in the UAE.

## Export Procedure in UAE

The exporter needs to go through the below steps:

- The exporter has to submit the required documents at the Customs Office
- Export Declaration Registration fees to be paid
- Customs Declaration Certificate has to be obtained from the Customs after verification of submitted documents.

## Documents Required for Exports in UAE

- ✓ The licensing agency in the country should give the company an approved Export Declaration Certificate/Instructions of the Declaration of Goods Application (IDG). This is required for Airport Customs Point of Entry.
- ✓ If commodity exported falls in the restricted list. The exporter should have a permit from the concerned authorities
- ✓ A sales invoice with detailed product listing, quantity and other details should be addressed to the company outside of UAE.



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# Thank You!

To know more about Starting a Trading Company in UAE and the detailed procedures, talk to our expert consultants right away!

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