

Jebel Ali Free Zone Company Setup: JAFZA Company vs JAFZA Offshore, Which Do You Need? (2026)

Jebel Ali Free Zone, commonly known as JAFZA, is one of Dubai's most established business and logistics hubs. Its location next to Jebel Ali Port makes it particularly attractive to companies involved in trading, manufacturing, logistics, warehousing, distribution, and international business. However, entrepreneurs considering Jebel Ali Free Zone company setup often come across two different options: a JAFZA operating company and a JAFZA Offshore company.

These two structures are not simply two versions of the same business. They are designed for different purposes. A JAFZA operating company is intended for businesses that need to conduct licensed activities from within the free zone, while a JAFZA Offshore company is generally used for specific international business, holding, asset ownership, and corporate structuring purposes. If you are exploring [jebel ali free zone company setup](#), understanding this difference is important before choosing a structure.

Understanding this distinction before incorporation is important. Choosing an offshore structure when you actually need an operating business can create practical limitations, while choosing a full JAFZA operating company when you only need a holding structure may result in unnecessary costs and requirements.

What Is JAFZA?

Jebel Ali Free Zone is a major free zone in Dubai built around the Jebel Ali logistics and industrial ecosystem. It provides different company formation structures and business licences for companies involved in trading, services, industry, and logistics.

JAFZA offers several formation options, including a Free Zone Establishment (FZE), Free Zone Company (FZCO), branch of a company, public listed company, and Offshore Company. The correct structure depends on the number and type of shareholders, business activity, and purpose of the company.

For businesses that require physical operating facilities, JAFZA provides different facility solutions, including offices, warehouses, and other commercial or industrial spaces.

JAFZA Company vs JAFZA Offshore: What Is the Difference?

The simplest way to understand the difference is to look at the purpose of the company.

A JAFZA operating company is designed to conduct an approved business activity within the JAFZA environment. Depending on the business, it may have a trading, service, industrial, or logistics licence and operate from an appropriate facility.

A JAFZA Offshore company is a separate legal structure intended for permitted offshore activities and specific corporate purposes. It is commonly considered for international trade, holding structures, certain asset ownership arrangements, and other corporate objectives.

Therefore, an offshore company should not automatically be treated as a cheaper alternative to a JAFZA operating company.

What Is a JAFZA Free Zone Company?

A JAFZA free zone company is an operating entity established within Jebel Ali Free Zone.

There are different formation types depending on the shareholder structure. An FZE can have a single shareholder, while an FZCO is designed for multiple shareholders. Shareholders can be individuals or corporate entities, subject to JAFZA's applicable requirements.

The company requires an appropriate JAFZA business licence and facility based on its activities and operational requirements.

For businesses that need warehouses, offices, manufacturing facilities, logistics infrastructure, or a physical presence close to Jebel Ali Port, this structure can be particularly relevant.

Who Should Consider a JAFZA Company?

A JAFZA operating company may be suitable for businesses involved in:

- Import and export
- International and regional trading
- Logistics and supply chain activities
- Warehousing and distribution
- Manufacturing
- Industrial operations
- Certain professional or service activities

The exact activity must be checked against JAFZA's approved activity and licensing framework.

What Is a JAFZA Offshore Company?

A JAFZA Offshore company is a separate company formation structure regulated under JAFZA's offshore framework.

An offshore company can have one or more shareholders, and the shareholders may be individuals, companies, or a combination of both.

The structure can be used for permitted international business activities and corporate purposes such as holding structures, certain asset ownership arrangements, intellectual property ownership, and international consulting, depending on the applicable rules.

Unlike a standard JAFZA operating company, an offshore company is not intended simply to provide the same operating facilities and business environment as an FZE or FZCO.

Who Should Consider JAFZA Offshore?

An offshore structure may be relevant if your main objective is:

- International business structuring
- Holding shares or investments
- Certain asset ownership arrangements

- International trading structures
- Intellectual property or similar ownership arrangements
- Specific corporate structuring requirements

The exact suitability depends on the intended activity and the applicable JAFZA offshore regulations.

JAFZA Company and JAFZA Offshore Compared

Feature	JAFZA Operating Company	JAFZA Offshore Company
Primary purpose	Operating business	Corporate/international structuring
Physical JAFZA facility	Required for JAFZA company formation	Different offshore requirements
Business licence	Required	Offshore registration
Trading operations	Suitable for approved activities	Limited to permitted offshore activities
Warehousing	Suitable where activity and facility permit	Not designed as a warehouse-based operating company
Manufacturing	Suitable	Not the primary purpose
Logistics	Suitable	Not the primary purpose
Shareholders	Depends on formation type	One or more shareholders
Visas	Relevant for operating setup, subject to requirements	Not equivalent to an operating company visa structure
Registered agent	Not the same offshore agent model	Registered agent required
Best suited for	Businesses that need UAE operating infrastructure	Trading and specific international structures

JAFZA Company Formation Options

FZE: Free Zone Establishment

An FZE is a single-shareholder limited liability company in JAFZA. The shareholder can be an individual or a corporate entity, subject to the applicable requirements. This structure can be suitable for an entrepreneur or company that wants to establish a JAFZA business with one shareholder.

The FZE has a separate legal identity from its shareholder, and the shareholder's liability is generally limited to the company's paid-up capital.

FZCO: Free Zone Company

An FZCO is designed for businesses with multiple shareholders. JAFZA's current framework allows an FZCO to have between two and 50 shareholders, which can include individuals, companies, or a combination of both.

This structure can be useful where two or more investors are establishing a joint business or where a corporate group is participating as a shareholder.

JAFZA Company Setup Process

Step 1: Decide the Business Activity

The first step is identifying exactly what your company will do. This is particularly important in JAFZA because the business activity determines the appropriate licence and can influence the type of facility required. A trading company, manufacturer, logistics provider, and service company may have very different requirements.

Step 2: Select the Company Formation Type

After identifying the activity, determine whether an FZE, FZCO, branch, or another formation type is appropriate. The number of shareholders and whether the shareholder is an individual or corporate entity are important considerations.

Step 3: Submit the Application

The investor can register interest and proceed with the JAFZA application process. The application undergoes the relevant evaluation and security screening before the company formation proceeds.

Step 4: Prepare the Required Documents

The documents depend on the formation type and shareholder structure. For individuals, passport copies, KYC/UBO information, and other personal documents may be required. Corporate shareholders can have additional requirements, including incorporation documents, constitutional documents, board resolutions, and other corporate records. Foreign corporate documents may require notarisation and attestation.

Step 5: Choose a Suitable Facility

A JAFZA operating company needs an appropriate leased facility. The facility should match the company's business activity. Depending on the business, this could be an office, warehouse, industrial facility, or another suitable solution.

Step 6: Obtain the Licence

Once the application, documentation, facility, and other requirements are completed, the company can proceed with obtaining the appropriate JAFZA licence. After incorporation, the company can manage relevant post-formation requirements such as visas, employee arrangements, banking, accounting, tax compliance, and licence renewals.

JAFZA Offshore Company Setup Process

The offshore process is different from setting up an operating JAFZA company. An offshore company must be registered through a JAFZA Registered Agent. The registered agent handles the administrative dealings with JAFZA's Offshore Section and assists with the submission of the required documentation.

The process generally involves selecting a registered agent, preparing the offshore application and corporate documents, submitting the required documents, and completing the registration process.

JAFZA currently states a processing time of approximately 5–7 working days for its new offshore company service, although the actual timeline can vary depending on document completeness and any additional requirements.

Documents Required for JAFZA Company Setup

The exact checklist depends on the company formation type, shareholders, directors, and business activity. Common requirements can include passport copies, KYC/UBO information, application forms, shareholder and director information, and other corporate documents.

For a corporate shareholder, additional documents such as the certificate of incorporation or good standing, Memorandum and Articles of Association, board resolutions, and power of attorney may be required. JAFZA can also request additional documents when necessary as part of its registration and verification process.

Documents Required for JAFZA Offshore

The offshore application has a different documentation process. JAFZA requires the appointment of a registered agent for offshore company registration. The legal documents can include the offshore application, Memorandum and Articles of Association, registered agent appointment documentation, and passport copies of directors and other relevant individuals.

For individual shareholders, founder information and a specimen signature may also be required. Corporate shareholders can have more extensive requirements, including notarised and attested incorporation documents, good-standing certificates, corporate constitutional documents, board resolutions, and power of attorney documentation.

Because offshore applications can involve documents from different countries, document preparation and attestation should be handled carefully.

JAFZA Company Setup Cost in 2026

There is no single fixed price for Jebel Ali Free Zone company setup. The total cost depends on the business activity, formation type, number of shareholders, licence type, facility, office or warehouse requirements, visas, and other services.

For an operating JAFZA company, the facility can represent a significant part of the overall cost because JAFZA requires a leased facility for company formation. Businesses requiring warehouses, manufacturing facilities, or larger industrial premises will naturally have different costs from companies requiring a smaller office arrangement.

Offshore registration has a different cost structure. JAFZA's current published service information lists AED 10,000 for offshore registration, plus applicable specimen signature and other charges. However, the overall budget can also include registered-agent fees, document preparation, attestation, and other related expenses.

For this reason, entrepreneurs should compare the complete setup cost rather than comparing only the registration fee.

Does a JAFZA Company Provide UAE Residence Visas?

An operating JAFZA company can support relevant employee and investor immigration procedures subject to the applicable requirements, company facility, licence, and immigration rules.

However, an offshore company should not be assumed to provide the same visa and employment structure as an operating free zone company. This is one of the most important distinctions to understand before choosing between JAFZA company formation and JAFZA Offshore.

If your main objective is to relocate to Dubai, employ staff, establish an office, and operate a physical business, an operating JAFZA structure should generally be evaluated rather than choosing offshore registration solely because it appears simpler.

Can a JAFZA Offshore Company Operate a Business in Dubai?

A JAFZA Offshore company can conduct lawful activities permitted under the applicable offshore regulations, but it is not equivalent to an operating JAFZA free zone company with a commercial or industrial facility.

If you need a warehouse, manufacturing facility, logistics operation, or regular physical business presence in JAFZA, an operating company is generally the more relevant structure. An offshore company should instead be evaluated based on its permitted corporate and international purposes.

JAFZA vs JAFZA Offshore: Which One Should You Choose?

Choose a JAFZA Operating Company If:

- You need a physical business operation in Dubai, such as an office, warehouse, manufacturing facility, or logistics operation.
- You want to conduct approved trading, industrial, service, or logistics activities through a JAFZA-licensed business.
- You expect to employ staff and require a conventional operating company structure.
- You want to take advantage of Jebel Ali's logistics and port-related business ecosystem.

Consider JAFZA Offshore If:

- Your primary objective is international corporate structuring.
- You need a holding or investment structure.
- You are looking at certain permitted asset ownership arrangements.
- You do not require the same operating facilities as a JAFZA free zone company.
- Your business purpose fits the activities permitted under JAFZA's offshore regulations.

Common Mistakes When Choosing JAFZA or JAFZA Offshore

Choosing Offshore Because It Is Cheaper

A lower registration cost does not necessarily mean that offshore is the better option. If your business needs an office, warehouse, employees, or operating facilities, an offshore structure may not meet those requirements.

Assuming Both Structures Offer the Same Visas

An operating free zone company and an offshore company have different purposes and administrative structures. Entrepreneurs should not assume that the immigration benefits of an operating company automatically apply to offshore registration.

Ignoring Facility Requirements

JAFZA company formation requires a leased facility. Businesses should therefore include office, warehouse, or industrial space in their planning and budget.

Choosing the Wrong Licence

Your licence should match your actual business activity. Trading, services, manufacturing, and logistics activities can have different requirements.

Not Checking Corporate Documents

International shareholders may need extensive corporate documentation and attestation. Preparing these documents late can delay the incorporation process.

How Takween Advisory Can Help With JAFZA Company Setup

Takween Advisory can assist entrepreneurs and international businesses evaluating JAFZA company formation by helping them understand the difference between an operating JAFZA company and an offshore structure. The right choice depends on whether the business needs a physical facility, employees, a commercial licence, logistics infrastructure, or instead requires a specific international holding or corporate structure. Professional guidance can help investors assess the setup requirements, documentation, licensing route, and related procedures before committing to a company structure.

Frequently Asked Questions

What is the difference between JAFZA and JAFZA Offshore?

JAFZA operating companies are designed for businesses that need to conduct approved activities through a licensed free zone company and operate from an appropriate facility. JAFZA Offshore companies are designed for permitted offshore and corporate structuring purposes.

Is JAFZA good for trading companies?

Yes. JAFZA can be particularly attractive for trading businesses because of its location within Dubai's major logistics and port ecosystem. The appropriate trading activity and facility requirements should be confirmed before incorporation.

Can one person establish a JAFZA company?

Yes. JAFZA provides the FZE formation type for a single shareholder, subject to the applicable requirements.

How many shareholders can an FZCO have?

A JAFZA FZCO can have multiple shareholders. JAFZA's current information states a minimum of two and a maximum of 50 shareholders.

Does JAFZA Offshore require a registered agent?

Yes. Offshore company registration with JAFZA must be processed through a JAFZA Registered Agent.

How long does JAFZA Offshore setup take?

JAFZA's current published process indicates approximately 5–7 working days for new offshore company registration, assuming the required documentation and procedures are completed.

Does JAFZA require an office?

For a JAFZA operating company, a leased facility is required as part of company formation. The appropriate facility depends on the nature of the business.

Is JAFZA Offshore better than a JAFZA company?

Neither is universally better. An operating JAFZA company is generally more appropriate for businesses that need to conduct operations from the free zone, while an offshore structure can be suitable for specific international or corporate structuring purposes.

Conclusion

Choosing between a JAFZA operating company and a JAFZA Offshore company starts with understanding what you actually need the business to do.

If you want to establish a trading, logistics, manufacturing, warehousing, or service business with a physical presence in Dubai, a JAFZA operating company may be the more suitable route. Depending on the shareholder structure, this can include an FZE or FZCO.

If your objective is instead international structuring, holding investments, certain asset ownership arrangements, or another permitted offshore purpose, JAFZA Offshore may be more appropriate.

The key is not to choose based solely on the registration price. Consider your business activity, facility requirements, employees, visas, customers, banking needs, ownership structure, and long-term objectives before deciding.

For entrepreneurs researching Jebel Ali Free Zone company setup in 2026, understanding this distinction from the beginning can help avoid choosing a structure that does not support the way the business actually needs to operate.