



# RAKEZ DESIGNATED ZONES OFFERING



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## Did you know that simply operating within a free zone does not guarantee a 0% tax benefit?

- The introduction of Value Added Tax (VAT) and Corporate Tax (CT) in the UAE applies equally to tax-registered businesses across both mainland and free zones, subject to specific terms, conditions and exceptions.
- However, exemptions from corporate tax are only available to companies engaging in certain qualifying activities that generate qualifying income within a Designated Zone.

## Did you know how many of the UAE's free zones are officially Designated Zones?

- According to the UAE Cabinet decision, only 21 out of more than 40 free zones qualify as Designated Zones.

## Did you know the difference between a Designated Zone and Non-Designated Zone?

- A Designated Zone is a specifically fenced free zone with customs and security procedures to regulate the movement of goods to and from the zone. The designated zone status is provided by UAE Cabinet and Federal Tax Authority.
- In contrast, a Non-Designated Zone is generally non-fenced and adheres to the standard UAE tax and customs regulations for all activities.

## Did you know RAKEZ can support your business with its multiple designated free zone areas and cost-effective business set-up options?

- RAKEZ has three districts which are recognised as Designated Zones, offering a variety of facilities to choose from including coworking spaces, offices, warehouses and land for development.
- Business set-up packages starting from as low as AED 16,550 annually, including 1 UAE residence visa.

## Did you know the benefit of distributing goods or materials in or from RAKEZ Designated Zones?

- Distribution of goods or materials in or from RAKEZ designated zones is a qualifying activity subject to 0% corporate tax rate.

## Did you know which activities can benefit from being in a Designated Zone?

- The Qualifying Activity of distribution management, physical transfer of goods, including warehousing, transportation, logistics management, inventory control and similar functions that involve the tangible handling or movement of goods. It includes the distributors holding title to the products.
- For a full list of activities, [click here](#).

## Did you know the criteria for distribution activities to be classified as a Qualifying Activity?

- Distribution activities must be conducted in or from a designated zone.
- Distributor should hold title to products.
- Distribution services must be provided for a customer who either resells the goods or processes them (or part thereof) for the purpose of resale.
- If the goods or materials enter the UAE, they must be imported through the designated zone. This requirement applies specifically to the distribution of foreign goods to customers in the UAE outside of a designated zone.

