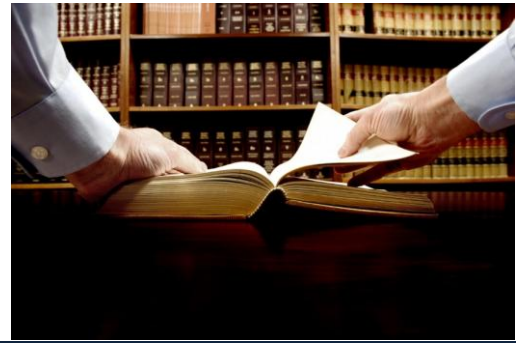


inBrief

**Dubai Executive Council Resolution No. 11 of 2025: Expanding Free Zone Opportunities**

By Danielle Lobo, Vaishali Dhanawat and Yassir Esseddyq | 11 April 2025

The Dubai Government has introduced Dubai Executive Council Resolution No. 11 of 2025 (**Resolution**), marking a significant advancement aimed at enhancing economic growth and offering greater business flexibility for Dubai free zone entities (**Entities**). The Resolution offers new opportunities for Entities to operate in mainland Dubai subject to meeting certain regulatory requirements.

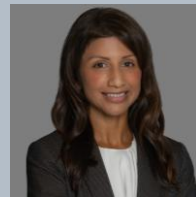
Scope of the Resolution

The Resolution applies to all Entities that intend to conduct business activities outside of their respective free zone on Dubai's mainland, except for financial institutions licensed by the Dubai International Financial Centre.

Prior to the introduction of the Resolution, Entities were only permitted to conduct their business from within the boundaries of their relevant free zone. Entities whose business required them to operate onshore in Dubai were therefore necessitated to contract with a third-party agent, register a branch or incorporate a separate onshore presence. Of course, the establishment of an onshore branch or company came with additional compliance requirements, the expense of maintaining premises within the Emirate of Dubai and also capital requirements (in the case of an onshore company).

Under the Resolution, Entities may apply to the Dubai Department of Economy and Tourism (DET) for one of three types of licence/permit:

License Type	Requirements	Fees (AED)	Validity of License
Branch of an entity	Existing requirements to register an onshore branch to be followed.	As per existing requirements	One year
Branch of an Entity with its headquarters in the relevant free zone.	<ul style="list-style-type: none">Submission of the required documentation of the Entity to the DET.	10,000	One year

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Danielle is a corporate/commercial lawyer with considerable experience in a wide range of corporate matters including mergers and acquisitions, private equity transactions, reorganisations, and joint ventures. Danielle is a member of the Law Society of Scotland. She holds an LLB (Hons.) from the University of Aberdeen, Scotland. Danielle has been ranked as "Next Generation Partner" for commercial, corporate and M&A, in Legal 500 EMEA.

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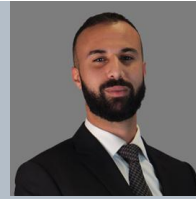
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Vaishali's practice focuses on general corporate private equity and mergers and acquisitions. Vaishali has successfully advised and acted on a wide range of domestic and cross-border transactions across key industry sectors such as renewable energy, infrastructure, hospitals, information technology and e-commerce. Vaishali has also advised clients on the regulatory framework in India involving the exchange control and securities laws.

	<ul style="list-style-type: none"> Approval of the DET. Approval of any other relevant UAE authority which regulates the activities of the Entity. 		
Temporary permit for the Entity to practice certain activities onshore in Dubai	<ul style="list-style-type: none"> Submission of the required documentation of the Entity to the DET. Approval of the DET. Approval of any other relevant UAE authority which regulates the activities of the Entity. 	5,000	Six months

Additional Considerations

- The Resolution mandates that the DET, in collaboration with the relevant licensing authorities, shall publish a list of the economic activities that an Entity may carry out onshore in Dubai within six months from the effective date of the Resolution (i.e. by 3 September 2025). The economic activities will depend on which of the three licence options (see above) an Entity applies for.
- Any Entity that wishes to operate onshore in Dubai must comply with the relevant federal and local rules and regulations for the activity it wishes to practice. Consequently, Entities will need to ensure that they keep abreast of legislation and developments applicable to it both within the relevant free zone and onshore in Dubai.
- Under the Resolution, Entities which are permitted to operate in mainland Dubai must maintain separate financial records for their operations conducted in mainland Dubai. This also links into the tax treatment of these arrangements as it implies that the standard 9% corporate tax rate will apply in respect of the onshore business of the Entity (unless the income is otherwise exempt). This is in comparison to the 0% corporate tax rate offered to qualifying Dubai free zone companies on qualifying income.
- The Resolution sets out a one-year transitional period during which Entities currently operating outside of their free zone in the Emirate of Dubai must comply with the provisions of the Resolution.



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Yassir has extensive experience providing government liaison support for completing and registering various corporate transactions across onshore and the various free zones in the UAE. He successfully processes entity incorporations and licensing while ensuring compliance with local regulations. He also advises on various corporate matters, prepares legal documents such as powers of attorney and resolutions, and manages the delivery of various projects.

Strategic Advantages

- Direct engagement in government contracts and onshore business activities without intermediary involvement.
- Reduced administrative overhead and financial burden associated with setting up a separate mainland entity.
- Enhanced market accessibility, fostering direct relationships with consumers and business partners.

The Resolution is expected to promote economic growth and business flexibility in Dubai. Entities should evaluate their current corporate structure in light of this Resolution to ensure that they capitalise upon the advantages of now being able to operate onshore in Dubai from a Dubai free zone in a more flexible manner. ■

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