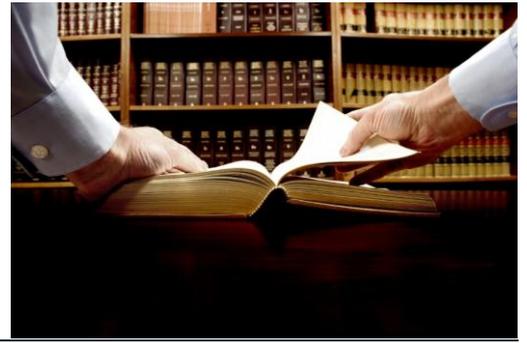


inBrief

**Expanding Boundaries to Mainland Dubai: A Game-Changer for Free Zone Entities**

By Saurbh Kothari and Stephanie Nazareth | 30 October 2025

On 3 March 2025, the Dubai Executive Council issued Dubai Executive Council Resolution No 11 of 2025 concerning the regulation of free zone entities' operation of their activities within the Emirate of Dubai (**the Resolution**).

Except for financial entities licensed in the Dubai International Financial Centre, the Resolution applies to all free zone entities in the Emirate of Dubai (**Entities**), that wish to carry out their activities outside the free zone and within the Emirate of Dubai *i.e.*, mainland Dubai. The Resolution introduced three types of licenses or permits that are available to Entities and are issued by the Dubai Department of Economy and Tourism (**DET**):

- (1) license for establishing a branch of the entity in mainland Dubai;
- (2) license for establishing a branch of the entity with its headquarters in the free zone; and
- (3) temporary permit for conducting certain activities within mainland Dubai.

The Resolution stated that the temporary permit under (c) above would be applicable for a period of six (6) months and would be available to Entities conducting certain types of economic activities, as determined by the DET, in collaboration with the relevant licensing authorities of the Entities.

Pursuant to the Resolution, on 8 October 2025, the Dubai Business Registration and Licensing Corporation (part of the DET), in collaboration with the Dubai Free Zone Council, officially announced the introduction of the "Free Zone Mainland Operating Permit" (**Permit**).

Key features of the Permit are as follows:

- (1) **Eligibility:** all Entities holding a Dubai Unified License (**DUL**) can apply for the Permit through the Invest in Dubai platform. The DUL was introduced in 2023 (in phases) for all entities licensed in free zones and mainland Dubai. It is not yet mandatory for an Entity to have a DUL and all services currently available to an Entity shall continue to be available (even if such an Entity has not yet obtained a DUL).
- (2) **Validity and fees:** the Permit is valid for a period of six months at a fee of AED 5,000 and is renewable for the same fee every six months.
- (3) **Applicability:** in the first stage, the Permit is only available to non-regulated Entities undertaking activities in the field of technology, consultancy, design, professional services, and trading. This is expected to be expanded to regulated Entities in the future. Note that an Entity's free zone license must be valid to be eligible for the Permit.

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- (4) **Corporate tax and maintenance of financial records:** For corporate tax purposes, Entities are required to maintain financial records for operations conducted in mainland Dubai separate from free zone operations. Entities will be subject to 9% corporate tax on income earned on their operations conducted in mainland Dubai (unless the income is otherwise exempt).
- (5) **Employment flexibility:** the Permit allows for employees of the Entities in free zones to work in mainland Dubai, thereby eliminating the requirement to hire new employees or transfer existing employees and apply for new visas.

The introduction of the Permit is in line with Dubai's Economic Agenda D33 and is expected to increase cross jurisdictional activity. This is indeed a big boost to all Entities interested in expanding their businesses to mainland Dubai and gain direct access to bid for government contracts and serve mainland clients more efficiently. ■

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