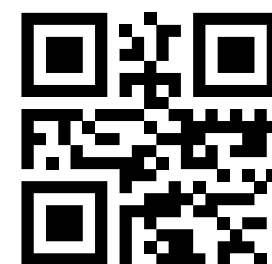




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1 Foreword

Welcome to the future of business.

As legal and strategic advisors working at the heart of the UAE's evolving commercial landscape, we at ATB Corporate are proud to introduce this guide on setting up a business in **Masdar City**—a visionary destination for entrepreneurs, innovators, and enterprises committed to building a sustainable, tech-driven future.

Masdar City is not just a free zone. It's a living example of what the world's smartest, most forward-looking cities will look like—powered by clean energy, enabled by intelligent infrastructure, and built for businesses that want to thrive in the decades to come.

In this eBook, we've broken down every essential step, insight, and legal requirement you'll need to confidently establish your business in Masdar City Free Zone. Whether you're an ambitious startup founder or an international firm seeking expansion, you'll find this guide tailored to your needs.

We invite you to explore the opportunities ahead—and to partner with us as you begin your journey in one of the UAE's most dynamic business ecosystems.

Here's to building a future-ready business.

Warm regards,

Team ATB Corporate





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2 Introduction: Why Masdar City?

Where Sustainability Meets Scalability

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In a world where businesses are expected to be not just profitable but also responsible, **Masdar City** offers a rare opportunity: to operate at the **intersection of innovation, impact, and global relevance**.

Strategically located in **Abu Dhabi**, the capital of the United Arab Emirates, Masdar City is a **purpose-built ecosystem** designed to power the next generation of business. Its foundation is rooted in three critical forces shaping the future:



Sustainability

Powered by renewable energy, built with green infrastructure, and guided by the UAE's Net Zero by 2050 vision.



Technology

Enabled by artificial intelligence, IoT, and smart infrastructure to foster digital-first operations.



Global Integration

Positioned at the center of the Middle East's trade routes, just minutes from the Abu Dhabi International Airport and connected to the world.

But what truly sets Masdar City apart is its role in **Abu Dhabi's Cluster Model** of economic development.





image credit | Adobe Firefly AI

The Power of the Cluster Model

Abu Dhabi's visionary economic strategy is structured around **specialized economic clusters**—distinct free zones and industrial hubs designed to complement each other and drive sector-specific growth. Masdar City Free Zone, as the emirate's hub for **sustainable technology and innovation**, works in close synergy with:

ADGM (Abu Dhabi Global Market)

The region's leading international financial center

KIZAD (Khalifa Industrial Zone Abu Dhabi)

An integrated industrial and logistics powerhouse

ADAFZ (Abu Dhabi Airport Free Zone)

A gateway for high-value logistics and aviation-linked business

Hub71

For high-growth startups, scale-ups, and innovation-driven entrepreneurship

Creative Media Authority (CMA)

Enabling media, entertainment, gaming, and digital content businesses

This interconnected ecosystem means businesses in Masdar City Free Zone can seamlessly collaborate across sectors—**raising capital in ADGM, scaling production in KIZAD, and accessing logistics infrastructure through ADAFZ.**





For entrepreneurs and corporates alike, Masdar City Free Zone isn't an isolated free zone—it's part of a **unified, future-ready business environment**.

Why Entrepreneurs and Corporates Choose Masdar City Free Zone



Business-Friendly Regulations

Fast-track licensing, 100% foreign ownership, and simplified immigration procedures.



World-Class Infrastructure

LEED-certified buildings, smart utilities, and ultra-modern office spaces.



Access to Talent & Capital

Surrounded by research institutions like Khalifa University and startup accelerators like The Catalyst.



Sustainability Advantage

Ideal for ESG-aligned businesses and those seeking to future-proof their operations.

Whether you're a **startup looking to innovate** or a **multinational seeking to decarbonize your global footprint**, Masdar City Free Zone offers the perfect launchpad.

Masdar City is more than a location. This is the future of business. Let's explore how you can be a part of it.



3 Business Models You Can Set Up

Tailored Structures for Startups, SMEs, and Global Corporates

image credit | Adobe Firefly AI

Setting up in Masdar City Free Zone begins with choosing the **right legal structure** for your business. Whether you're a solo entrepreneur, a growing SME, or a multinational corporation entering the UAE market, Masdar City Free Zone offers flexible business models designed for ease, scalability, and strategic expansion.

Note: Unlike financial centers like ADGM, Masdar City Free Zone **does not currently offer Special Purpose Vehicles (SPVs)**. However, its FZ-LLC and branch office structures are robust and designed to support most commercial, service, and industrial activities.

For Entrepreneurs & Startups

1. Free Zone Limited Liability Company (FZ-LLC)

Ideal for: Startups, SMEs, and growing businesses seeking flexibility and autonomy.

- **Legal Status:** Separate legal entity
- **Shareholders:** Can be a single owner or multiple shareholders
- **Liability:** Limited to the share capital invested

Advantages:

- 100% foreign ownership
- Full repatriation of capital and profits
- Access to UAE markets through cluster partnerships

FZ-LLC is the **most common and versatile entity type** used in Masdar City Free Zone.





image credit | Adobe Firefly AI

For Corporates & Global Companies

2. Branch Office

Ideal for: International companies seeking a physical presence in Abu Dhabi

- **Legal Status:** Legally connected to the parent company
- **Activities:** Must reflect the business scope of the parent company
- **Liability:** The parent company assumes full liability

Advantages:

- No minimum capital requirement
- Fast-track licensing and incorporation
- Full access to Masdar City's ecosystem while retaining global identity

The preferred route for **corporates testing the UAE market** or managing operations across the region.

3. Offshore Company

Ideal for: Companies that do not engage in commercial activity but want to promote or liaise for the parent entity.

- **Legal Status:** Extension of the parent company
- **Activities:** Marketing, liaison, R&D, and administrative functions only





image credit | Adobe Firefly AI

Advantages:

- Low-cost entry into the UAE
- Builds market presence without commercial exposure

A strategic entry point for corporations evaluating long-term expansion.

No SPV Structures in Masdar City Free Zone

While **Special Purpose Vehicles (SPVs)** are popular for investment structuring, **Masdar City Free Zone does not offer SPVs.**

For SPVs, entities may consider setting up in **ADGM**—which specializes in financial and holding structures under a common law framework.

Need Help Choosing the Right Model?

Choosing the right legal structure impacts liability, operations, tax planning, and scalability. We help you select the entity that aligns with your business goals, market strategy, and regulatory compliance.





Business Activities & License Types

Choose the Right License to Match Your Vision

image credit | Adobe Firefly AI

Before launching your business in Masdar City Free Zone, it's essential to define what your business will do—and choose the appropriate license type. Masdar City Free Zone offers a flexible licensing framework covering a wide range of commercial, service, industrial, and freelance activities, all within a sustainability-driven ecosystem.

Licenses are typically categorized based on your business model, industry, and operational scope.

1. Commercial License

For companies engaged in **trading and commercial operations**, including import, export, distribution, and retail.

Examples of permitted activities:

- Import/export of sustainable goods
- Distribution of energy-efficient equipment
- Trading in smart tech, electronics, or eco-friendly materials

2. Service License

For businesses offering **professional, consulting, or technology services**. This is the most commonly used license type in Masdar City Free Zone.

Examples of permitted activities:

- Business consulting
- IT services and software development





image credit | Adobe Firefly AI

- Engineering, design, and project management
- Legal, financial, and sustainability advisory services

Tip: Most startups and SMEs in Masdar City Free Zone start with a Service License.

3. Industrial License

For companies involved in light manufacturing, clean energy production, 3D printing, or R&D in industrial technologies.

Examples of permitted activities:

- Assembly of renewable energy components
- Fabrication of eco-friendly construction materials
- Smart device prototyping
- Sustainable packaging manufacturing

Industrial activity is subject to facility requirements and approvals from regulatory bodies.

4. Freelance Permit

For independent professionals offering their own expertise or creative services, with the flexibility of operating as a sole proprietor.

Examples of permitted activities:

- Marketing and content creation





image credit | Adobe Firefly AI

- Software development and coding
- Photography, videography, and media
- Environmental consulting

Ideal for:

- Solo professionals and digital nomads
- Remote consultants and part-time specialists
- Creatives and tech freelancers

Freelance permits may have restrictions on hiring employees and are issued under specific activity codes.

How to Choose the Right License

Ask yourself:

- What are my core business activities?
- Will I trade products, offer services, or manufacture?
- Do I need to sponsor employees or remain solo?
- Will I work with international partners, the government, or NGOs?

We help founders and corporate clients **map their business activities to the right license**—ensuring compliance, scalability, and speed to market.



5 Step-by-Step Registration Process

Launch Your Business in Masdar City Free Zone with Confidence

image credit | Adobe Firefly AI

Setting up your company in Masdar City Free Zone is designed to be streamlined, digital, and founder-friendly. Whether you're an entrepreneur or an established corporate, the process can take as little as 5–10 working days if your documents are in order.

Here's your step-by-step guide to setting up a business in Masdar City Free Zone.

Step 1: Pre-Registration Essentials

Before applying, take time to align your business concept with Masdar City's ecosystem.

1. Business Feasibility & Market Fit

- Refine your business plan or concept
- Ensure your proposed activity is aligned with Masdar City Free Zone's permitted sectors
- Choose your legal structure (FZ-LLC, Branch Office, Sole Establishment)

2. Choose Your Business Activity & License Type

- Match your offerings to the correct license (Commercial, Service, Industrial, Freelance)





image credit | Adobe Firefly AI

3. Select a Company Name

- Must not conflict with UAE naming guidelines (no offensive terms, no religious references, etc.)
- Should reflect your actual business activity
- Can be in English or Arabic (with translation)

4. Choose an Office Space

Options include:

- Flexi Desk – For startups, freelancers, or remote-friendly operations
- Private Office – For small teams or client-facing firms
- Custom Facility – For industrial or R&D activities

Step 2: Submit Your Application

All applications are processed through a registered agent and the Masdar City Free Zone portal.

Documents typically required:

- Passport copies of all shareholders and managers
- Passport-size photos
- Proposed trade name (3 options)
- Summary of business activities
- Business plan or feasibility report (for certain sectors – template provided by MCFZ)





image credit | Adobe Firefly AI

- MOA & AOA (Memorandum & Articles of Association– template provided by MCFZ)
- Lease agreement or letter of intent

Step 3: Government Review & Approvals

Once your documents are submitted:

- Masdar City Free Zone Authority conducts due diligence and regulatory checks
- You may be asked for clarifications or additional details
- For sensitive activities (e.g., AI, media, fintech), approvals may also involve VARA, Media Council, ADGM, ADAFZ, or other cluster partners

Step 4: License Issuance & Company Incorporation

Once approved, you'll receive:

- Trade License (valid for 1–3 years depending on package)
- Certificate of Incorporation
- Lease Agreement for your office or desk space
- Establishment Card (required only if you need visas)

Congratulations—your business is now legally registered in Masdar City Free Zone!





image credit | Adobe Firefly AI

Step 5: Visa & Immigration Setup (Optional)

- If you are hiring staff, register with the relevant authorities
- Apply for Visas as per your quota
- Open your corporate bank account
- Finalize labour contracts, health insurance, and Emirates ID processing

Pro Tip: The entire process can be overwhelming the first time. But with professional help, you could be up and running in about 20 working days.

At ATB Legal, we help founders handle:

- Company structure & license strategy
- MOA/AOA drafting
- Bank account opening
- Visa for themselves or employees
- Office lease negotiation
- Ongoing legal compliance



6 Incentives & Advantages of Setting Up in MCFZ

Where Business Meets Innovation, Sustainability, and Simplicity

image credit | Adobe Firefly AI

Masdar City Free Zone isn't just a place to register your business—it's a strategic ecosystem designed to accelerate your growth, minimize costs, and maximize sustainability impact. Here's why more entrepreneurs, SMEs, and global companies are choosing Masdar City Free Zone as their UAE base.

1. 100% Foreign Ownership

As a Masdar City Free Zone business, you retain full ownership and control, with no local partner required.

- Keep full equity
- Make independent business decisions
- Repatriate 100% of capital and profits

2. Zero Corporate Tax

Masdar City Free Zone offers **zero corporate tax** on income earned within the free zone to a certain qualifying limit.

- No personal income tax
- No withholding tax
- Full exemption on capital gains and profit repatriation
- Exemption from import/export duties within the zone





image credit | Adobe Firefly AI

Note: With the introduction of UAE's corporate tax law (9%), Masdar City Free Zone businesses can still qualify for **free zone tax exemptions** under specific conditions. ATB Legal can guide you on compliance.

3. Simplified Company Setup & Licensing

Masdar City Free Zone offers **fast-track licensing** with minimal paperwork.

- Fully digital application & approvals
- Transparent fee structure
- Company registration in as little as 5–10 days
- Multiple license activities allowed under one entity

4. Updated Business Packages (2025)

Masdar City Free Zone offers various tailored packages depending on your business size and scope. Below are a few sample packages:

Note: Packages keep changing to meet the government policies and MCFZ business vision. Need help choosing the right package?

Our team can help you assess what works for your business goals.

Source: masdarcityfreezone.com

5. Sustainability-Driven Reputation

Operating in Masdar City Free Zone instantly positions your brand as part of a **green, future-ready economy**.





image credit | Adobe Firefly AI

PACKAGE	COST (AED)	INCLUDES
Startup Package	AED 7,000	License + registration for 1–2 activities
Business One	AED 17,500	License + 3 activities, 1 visa quota, flexi desk lite, e-channel setup
Enterprise Package	AED 27,000	License + 6 activities, 3 visa quota, flexi desk plus, establishment card

- Operate in LEED-certified buildings
- Power your office with renewable energy
- Qualify for ESG partnerships and green procurement frameworks
- Align with clients who prioritize ethical, low-carbon vendors

6. Access to Grants, Funding & VCs

Masdar City Free Zone is connected to a powerful network of **government-backed funds and global investors.**

- **ADIO (Abu Dhabi Investment Office):** Incentives & funding for innovation-based businesses
- **The Catalyst Accelerator:** Offers equity-free funding and workspace for clean tech startups
- **Khalifa Fund:** Available for UAE nationals and joint ventures
- **Partnerships with venture capital networks** via Hub71 and international platforms





image credit | Adobe Firefly AI

7. Strategic Location & Global Connectivity

Situated just minutes from **Abu Dhabi International Airport**, Masdar City Free Zone provides:

- Proximity to major logistics hubs like KIZAD and ADAFZ
- Seamless access to the wider GCC, Asia, and Europe
- Easy collaboration with ADGM (financial services), ADAFZ (e-commerce), and KIZAD (manufacturing/logistics)

8. Supportive Business Ecosystem

- On-site visa, immigration & licensing services
- Legal and consulting support from firms like ATB Legal
- Networking events, innovation forums, and investor meetups
- Access to research and talent from **MBZUAI** and **Khalifa University**

Why It Matters

Masdar City Free Zone makes it easy to go from idea to execution with low setup costs, high-impact infrastructure, and a future-first business environment.

- Affordable setup
- Sustainable image
- Strong government support
- Flexible workspaces
- Scalable growth path





Infrastructure & Support Services

Smart, Scalable, and Sustainable from Day One

image credit | Adobe Firefly AI

Masdar City Free Zone's infrastructure is built around **efficiency, intelligence, and environmental stewardship**. Whether you're a startup looking for a plug-and-play workspace or a corporate expanding into the Middle East, you'll find a **world-class platform** to build, operate, and grow your business.

1. Office & Workspace Solutions

Masdar City Free Zone offers flexible real estate options to suit businesses of all sizes.

Flexible leases, scalability, and eco-conscious buildings make these options ideal for companies with growth in mind.

WORKSPACE TYPE	IDEAL FOR	FEATURES
Flexi Desk	Freelancers / Startups	Shared space, minimal overhead, visa eligibility
Private Office	SMEs / Teams	Lockable unit, utilities, and maintenance included
Custom Office / Shell	Corporates / R&D / Innovation abs	Custom buildout to match business operations
Industrial Facility	Manufacturing / CleanTech	Warehousing collaboration with other freezone, light assembly, and logistics support with Cluster Partners





Image credit | Adobe Firefly AI

2. Smart City Infrastructure

Masdar City Free Zone isn't just smart in name—it's powered by **clean energy and intelligent systems** that reduce cost, increase productivity, and support your ESG goals.

- **Renewable Energy:** Buildings are powered by solar panels and clean grid integration
- **Smart Utilities:** AI-driven monitoring of power, water, and cooling systems
- **Digital Connectivity:** High-speed internet, cloud-ready offices, and secure infrastructure
- **Energy-Efficient Cooling:** Centralized district cooling reduces operational emissions and costs

3. Sustainability-Built Environment

As a net-zero development, Masdar City is globally recognized for its green urban planning:

- **LEED & Estidama-certified buildings**
- **Green transport solutions** (electric vehicles, autonomous shuttles)
- **Pedestrian-friendly design** to reduce carbon footprint
- **Recycled water and waste-to-resource infrastructure**

By locating your business here, you automatically align with sustainability-focused clients and global ESG standards.



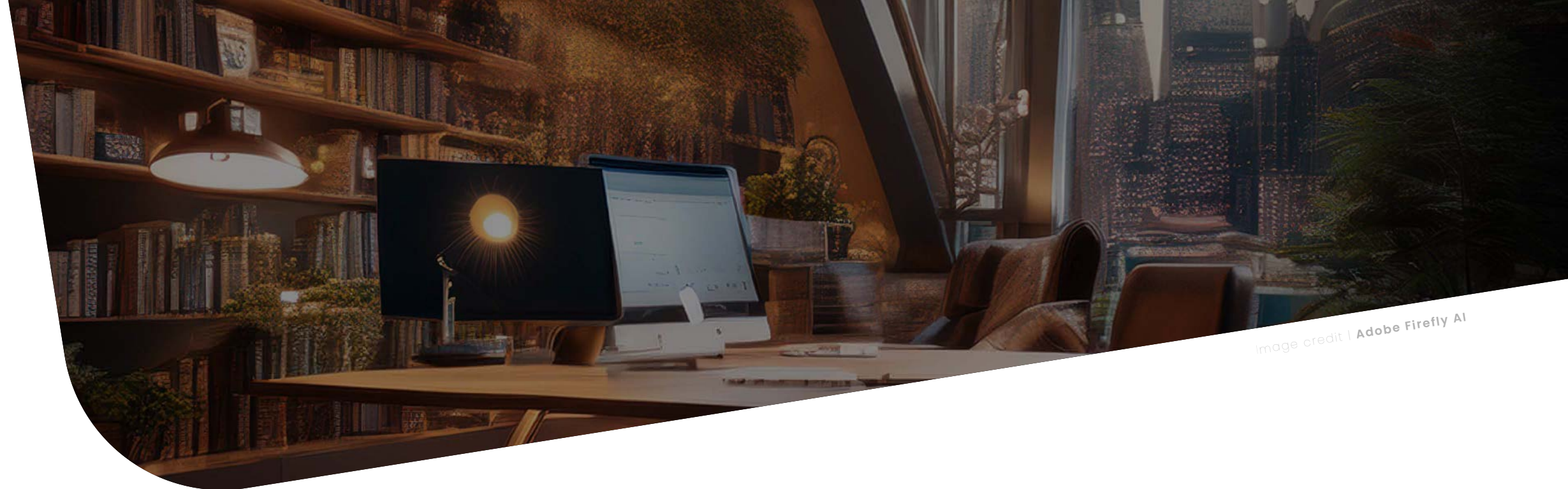


Image credit | Adobe Firefly AI

4. Government & Free Zone Services On-Site

Masdar City Free Zone Authority offers **end-to-end business support**, with services centralized for ease of access:

- Business registration, licensing, and renewals
- Establishment card & visa processing
- E-channel registration and immigration services
- Document attestation and corporate services

5. Ecosystem Connectivity & Business Networks

Being in Masdar City means you're directly connected to:

- **ADGM (Finance)** – Access regulatory support and capital
- **KIZAD (Industry & Logistics)** – Scale manufacturing or warehousing
- **ADAFZ (Aviation, E-commerce)** – Global logistics and high-speed trade
- **MBZUAI & Khalifa University** – Talent, research, and R&D collaboration
- **Hub71** – Fintech and RegTech Activities; Crypto and other AI-Driven platforms
- **CMA** – Media regulated activities and production facilities.

And through partnerships with **Hub71**, **The Catalyst**, and **ADIO**, businesses benefit from:

- Innovation programs
- Mentorship & accelerator access
- Venture capital introductions





Image credit | Adobe Firefly AI

- Investor pitch events

6. Business Continuity & Support Services

- Banking partnerships with leading UAE banks
- Legal support and compliance guidance
- Health & safety services
- Events, expos, and industry networking organized by Masdar and its partners

Why It Matters

Having the right infrastructure is about more than just four walls. At Masdar City, every square meter is engineered for:

- Productivity
- Sustainability
- Innovation
- Community

You don't just rent an office—you plug into a future-ready environment.



8

Strategic Sectors to Watch in Masdar City

Where Innovation and Industry Converge

image credit | Adobe Firefly AI

Masdar City Free Zone isn't a one-size-fits-all free zone—it's a **precision-built hub** designed to power the world's most **future-facing industries**. With a strong alignment to the UAE's national vision and global climate goals, Masdar City Free Zone fosters sectors that are **sustainable, scalable, and strategically important**.

1. CleanTech & Renewable Energy

Masdar City is globally recognized as a nucleus for **clean technology** and **sustainable energy ventures**.

Opportunities include:

- Solar, wind, and green hydrogen production
- Energy storage and smart grid technology
- Carbon capture, utilization, and storage (CCUS)
- Waste-to-energy systems
- Water efficiency and desalination solutions

Who's here:

- **Masdar (Abu Dhabi Future Energy Company)**
- **Bee'ah, ENGIE**, and global clean energy R&D collaborations

Startups and corporates working in net-zero tech will find an active ecosystem of partners, accelerators, and government support.

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image credit | Adobe Firefly AI

2. AI, Robotics & Advanced Technology

As a smart city, Masdar is a living laboratory for AI applications, automation, and next-gen software platforms.

Opportunities include:

- AI-powered logistics and smart infrastructure
- Predictive maintenance and digital twins
- Robotics in construction and energy
- Smart building systems
- IoT platforms and edge computing

Who's here:

- **Mohamed bin Zayed University of Artificial Intelligence (MBZUAI)**
- Startups funded by **The Catalyst** and **Hub71 ecosystem partners**

Businesses in Masdar City Free Zone can access AI talent, research partnerships, and test their solutions in a real-world smart city environment.

3. FinTech & Digital Assets

While ADGM is the financial nucleus, Masdar City Free Zone benefits from close proximity and partnership with fintech innovators, particularly those aligned with sustainability.





image credit | Adobe Firefly AI

Opportunities include:

- Green finance platforms
- ESG-compliant investment tools
- Blockchain for carbon credit tracking
- AI-driven wealth and impact investing

CleanTech startups can access financial partnerships, grants, and ESG capital through regional and international networks.

4. Life Sciences & Research

With world-class institutions like **Khalifa University** and **Masdar Institute** in close proximity, Masdar City Free Zone supports biotech, health innovation, and R&D.

Opportunities include:

- Bioenergy and industrial biotech
- Public health innovation
- AgriTech and urban farming
- Materials science for sustainable construction

Masdar City Free Zone offers a collaborative environment for academic partnerships, IP development, and ethical R&D frameworks.





Image credit | Adobe Firefly AI

5. Smart Mobility & Urban Innovation

A living example of urban innovation, Masdar City Free Zone is a launchpad for companies in **electric mobility, autonomous transport**, and smart logistics.

Opportunities include:

- Autonomous shuttles and EV integration
- Drone logistics and air mobility
- Smart parking and traffic optimization
- Shared mobility platforms

Pilot Projects:

- NAVYA autonomous shuttles
- Smart grid electric charging infrastructure
- Data-driven mobility research labs

6. Aerospace & Satellite Tech

Abu Dhabi's push into space and advanced aviation opens doors for aerospace innovation, with Masdar City Free Zone well-positioned as an R&D base for sustainability-aligned aviation and space tech.





Image credit | Adobe Firefly AI

Opportunities include:

- Satellite imaging & data analytics
- Sustainable aviation fuel (SAF)
- AI in aerospace supply chains
- Earth observation for environmental monitoring

Masdar City Free Zone's carbon-neutral credentials make it attractive for ESG-conscious aerospace companies and research labs.

Why It Matters

Whether you're launching a startup or expanding a multinational footprint, aligning with **Masdar City Free Zone's priority sectors** gives you access to:

- Sector-specific incentives
- Funding and research partnerships
- Global investor visibility
- Regulatory support through Abu Dhabi's cluster model



9 Case Studies & Success Stories

Real Businesses, Real Growth — Powered by Masdar City Free Zone

image credit | Adobe Firefly AI

One of the best ways to understand the value of setting up in Masdar City Free Zone is to look at the companies already thriving within its ecosystem. From renewable energy pioneers to fast-scaling startups, Masdar City Free Zone has proven to be a **launchpad for innovation, growth, and sustainability.**

Case Study 1

The Catalyst — CleanTech Accelerator in Action

Type: Startup Accelerator

Founded by: Masdar & BP

Focus: Sustainability-focused early-stage startups

Impact:

- Supported 30+ startups in clean energy, waste management, and energy efficiency
- Provided equity-free funding, mentorship, and office space within Masdar City Free Zone
- Success stories include startups in carbon-neutral cooling and smart irrigation systems

Why it works: The Catalyst is deeply embedded in the Masdar ecosystem, giving startups real-world testing environments, access to Abu Dhabi's investor networks, and a direct path to market.

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Image credit | Adobe Firefly AI



Masdar City Free Zone gives us more than just space—it gives us access to climate investors, academic research, and tech infrastructure we couldn't find anywhere else."

— Startup founder, Catalyst Cohort 2023

Case Study 2

ENGIE Lab – Innovation for Energy Transition

Type: Global energy and R&D lab

Parent Company: ENGIE (France)

Focus: Decarbonization, AI in energy, microgrids

Impact:

- Developed AI-powered tools for optimizing solar and wind energy performance
- Collaborates with local universities and international innovation teams
- Positioned Masdar City Free Zone as a center for energy tech demonstration projects in the region

Why Masdar City Free Zone: ENGIE Lab Middle East chose Masdar City Free Zone for its access to a clean energy testbed, high sustainability standards, and proximity to Abu Dhabi's research and policymaking hubs.

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image credit | Adobe Firefly AI

Case Study 3

Siemens – Digital Twin & Smart Grid Leadership

Type: Multinational Corporation

Sector: Smart Infrastructure & Industrial Tech

Impact:

- Established Siemens’ regional headquarters at Masdar City Free Zone
- Deployed a working “**digital twin**” of the HQ building for real-time energy monitoring
- Reduced operational energy consumption by over 50%
- Became a global case study for sustainable smart building design

Why it matters: Siemens’ experience proves that **large corporations** can use Masdar City Free Zone to **prototype next-gen solutions**, then scale them globally—turning sustainability into a performance driver.

Case Study 4

Aerodyne Group – Drones for CleanTech Monitoring

Type: International SME | **Sector:** Drone technology and AI-based asset management

Headquartered: Malaysia

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image credit | Adobe Firefly AI

Why Masdar City Free Zone: Chose Masdar City Free Zone to serve the MENA market with drone-based inspections for solar fields and wind farms. The location offered proximity to clients in KIZAD, R&D grants via The Catalyst, and connections with sustainability-focused corporates.

Result:

- Secured UAE-based contracts in its first year
- Collaborated with clean energy providers across Abu Dhabi
- Scaled its workforce through on-site visa and HR support

What These Stories Show

Each of these companies—whether a bootstrapped startup or a global powerhouse—chose Masdar City Free Zone not just for **regulatory ease or cost savings**, but for **access to a powerful ecosystem** that accelerates innovation, credibility, and growth.

They found:

- A values-aligned community
- Infrastructure that supports experimentation
- A gateway into Abu Dhabi's cross-sector business clusters
- A reputation-enhancing base for global expansion



10 Legal & Compliance Overview

Clarity, Confidence, and Compliance from Day One

image credit | Adobe Firefly AI

Setting up in Masdar City Free Zone means operating in a business-friendly jurisdiction backed by **transparent laws, progressive policies, and a strong regulatory ecosystem**. Whether you're a founder new to the UAE or a multinational entering the market, here's what you need to know about legal and compliance obligations.

10.1 Key Regulatory Bodies & Legal Framework

Masdar City Free Zone Authority (MCFZA)

- Primary licensing and regulatory body
- Oversees registration, renewals, office leasing, and visa services
- Enforces sustainability standards and environmental compliance within the zone

UAE Commercial Companies Law (CCL)

- Applies where relevant for corporate governance, especially if you operate outside the free zone or set up a mainland branch later
- ATB Legal advises on when CCL applies to dual-licensed or hybrid entities

Environmental, Social, and Governance (ESG) Compliance

- Masdar City mandates sustainable practices as part of its operating ethos
- Businesses may be required to report energy use, emissions, and waste reduction metrics





image credit | Adobe Firefly AI

- Compliance with **Estidama** and **LEED** standards is often necessary for building and operational approvals

Good ESG compliance improves access to funding, procurement opportunities, and green partnerships.

10.2 Taxation & Financial Reporting

Corporate Tax (UAE 2023 Law)

- **0% corporate tax** on qualifying income earned within the free zone
- Businesses with mainland operations or exceeding AED 375,000 in non-qualifying revenue may be subject to 9% federal tax
- Masdar City entities must demonstrate “**substance**” and **economic activity** to maintain free zone tax benefits

VAT (Value Added Tax)

- VAT at 5% applies if your taxable turnover exceeds AED 375,000/year
- Registration with the **Federal Tax Authority (FTA)** is mandatory
- Quarterly VAT returns and record-keeping are legally required





image credit | Adobe Firefly AI

Financial Reporting & Audit

- Most Masdar City Free Zone entities must maintain **audited annual financial statements**
- Bookkeeping must follow **International Financial Reporting Standards (IFRS)**
- Some businesses (especially industrial or service sectors) may be exempt in early years
- We recommend professional accounting support to stay audit-ready and maintain free zone tax eligibility.

10.3 Employment & Labour Compliance

Employee Visa Sponsorship

- Businesses must register for an **establishment card** and **e-channel system** to sponsor staff
- Employment visas and dependent visas are available through Masdar City Free Zone
- Medical tests, Emirates ID, and health insurance are mandatory for visa issuance

Labour Contracts & MOHRE Alignment

- Employees must be issued **UAE-compliant labour contracts**
- Masdar City Free Zone follows Federal Law No. 33 of 2021 (amended from time to time), including rules on:
 - Probation periods
 - End-of-service benefits





- Gratuity and leave entitlements
- Remote working and part-time options
- Working with a legal advisor ensures contracts are compliant and protect both employer and employee.

10.4 Data Protection & Intellectual Property (IP)

Data Protection

- Businesses handling personal data must comply with **UAE Data Protection Law (Federal Law No. 45 of 2021)**
- Security measures, breach reporting, and client consent are critical in digital businesses
- Cloud-based companies may also require compliance with international standards like GDPR

Intellectual Property (IP)

- Trademarks, patents, and designs can be registered with the **UAE Ministry of Economy**
- Masdar City Free Zone encourages businesses to protect innovations, especially in:
 - CleanTech
 - Software & AI
 - Industrial designs & prototypes





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Our team at ATB Legal regularly supports Masdar City Free Zone companies in protecting trademarks, negotiating IP clauses, and filing patents.

Summary: Your Legal Checklist

- ☐ Choose the correct entity structure
- ☐ Obtain and renew your license
- ☐ Comply with VAT and tax filing requirements
- ☐ Maintain proper accounting records
- ☐ Draft compliant labour contracts
- ☐ Protect your intellectual property
- ☐ Align with Masdar's sustainability and data ethics standards



11 FAQs & Common Concerns

Everything Entrepreneurs & Executives Ask Before Making the Move

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We've gathered the most frequently asked questions from entrepreneurs, SMEs, and global corporates considering Masdar City Free Zone as their UAE base. Here's what you need to know.

1. How long does it take to set up a company in Masdar City Free Zone?

Typical time: 5–10 working days, if documents are in order.

Add 5–7 more working days for visa processing, establishment card, and immigration clearance.

2. Do I need to be in the UAE to register my company?

No, you can set up remotely via Masdar City Free Zone's digital portal or through a registered legal advisor. However, **your physical presence is required** for visa processing and Emirates ID registration later.

3. Can I operate outside Masdar City Free Zone with a free zone license?

Yes—you can export services and products internationally.

To do direct business in UAE mainland (outside the free zone), you'll need:

- A mainland branch OR
- A local distributor / service agent OR
- A dual license in some cases (subject to approvals)

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4. What is the minimum capital requirement to open a company in Masdar City Free Zone?

There's **no mandatory minimum capital deposit**.

However, a nominal capital value (often AED 10,000–50,000) must be declared in your Memorandum of Association (MoA) for legal purposes. **T&C applies. Depending on the activity chosen, the capital requirement may increase.**

5. Are visas included in the company setup package?

Only **Business One** and Enterprise packages include **visa quotas**:

- **Business One:** 1 visa quota
- **Enterprise:** 3 visa quota

Additional visa quotas can be added based on your office space and business type.

Business One package includes visa costs, whereas, **Enterprise** packages include only a visa quota; visa charges will be charged at actuals.

6. Can I apply for a freelance license in Masdar City Free Zone?

Yes—**freelance permits are available** for certain professional categories such as:

- Media & content creators
- Consultants





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- Developers & digital professionals

Freelancers operate under their own name and cannot hire staff.

7. Can I own more than one business in Masdar City Free Zone?

Yes, you can hold multiple licenses under the same ownership.

Each entity will require separate registration and trade license, but you can centralize operations in one office (if activity scope allows).

8. Is Masdar City Free Zone only for sustainability-related businesses?

No. While sustainability is a central theme, Masdar City Free Zone welcomes businesses across sectors like:

- Technology
- Consulting & advisory
- Media & marketing
- Education
- Fintech
- Urban innovation

As long as your operations align with the city's **low-impact, smart infrastructure model**, you're welcome.





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9. What banks can I open a corporate account with?

Masdar City Free Zone is recognized by all major UAE banks, including:

- First Abu Dhabi Bank (FAB)
- Emirates NBD
- ADIB
- RAKBank
- HSBC

Account approval depends on your business activity, shareholders, and country of origin.

10. What ongoing compliance obligations do I have?

- Annual license renewal
- Audited financials (if applicable)
- VAT registration and filing (if threshold crossed)
- Employee visa renewals
- Sustainability or ESG reporting (for some sectors)

Tip: ATB Legal can help you set up annual compliance reminders, manage renewals, and handle government filings.

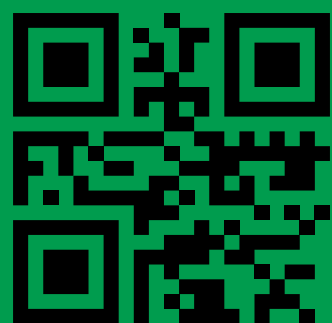




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