

## Licensing Procedure of Industrial Projects

The Ajman government gives top priority to the development and activation of the industrial sector in the emirate. In order to encourage potential investors to set up their industrial projects in Ajman, the government has instructed local departments to provide all possible assistance to applicants in order to facilitate the issue of licences for the industrial firms. The streamlining of the licensing procedure is intended to boost the emirate's economy, attract investors, and encourage the flow of capital, thereby expanding the industrial base in Ajman.

Therefore the local departments usually provide all facilities and consultations to the new investor before starting the licensing procedure of his project.

### Procedure for Licensing Industrial Projects in Ajman

Industrial projects are licensed only to firms wholly owned by UAE nationals or AGCC citizens or to firms which nationals hold not less than 51% of the invested share capital. It should also be observed that the activity of the proposed industrial project must conform to the UAE policies and strategy in the industrial development field as well as the prevailing rules and regulations governing industrial activities. If the above conditions are met, the applicant for setting up an industrial project should do the following:

#### 1. **Obtaining the initial approval from the Ministry of Finance and Industry:**

(a) The owner of the project, its manager or representative by an official power of attorney, shall submit an application to the Industrial Department at the Ministry of Finance and Industry for setting up the Industrial Project. He should state the name of the applicant, his address, the proposed name of the project, its legal status and main industrial activity. The application should be accompanied by an economic and technical feasibility study, showing the purpose of setting up the industrial project, its primary materials and their source, annual production costs, manner of finance, the required manpower, possibilities of marketing its products and other issues relevant to the project.

(b) The Industrial Department at the Ministry shall undertake study of the submitted application technically and economically in the light of the overall plans and policies of the state, in order to ensure that the laws and regulations in force are complied with. The Ministry shall then convey to the owner the initial approval of the application. The owner should start the construction works within six months from the date of receiving the initial approval. The Department shall provide him with three letters.

(i) A letter to the Municipality approving the establishment of the project, to enable him to get the necessary plot of land for construction of the factory and to complete the procedure of obtaining the municipality licence as per the prevailing rules and regulations.

(ii) A letter to the Ports and Customs Department to enable him import the plant, equipment and raw materials exempted from customs duty.

(iii) A letter to the Ministry of Labour and Social Affairs to enable him recruit the manpower required for operation of the project.

## **2. Obtaining the industrial licence from the Municipality according to the following procedure:**

(a) The owner of the project should submit an application on the specified form to the municipality, indicating the industrial activity the firm shall practice and should enclose the following documents:

- Initial approval by the Industrial Department
- Photocopy of the owner's valid passport as well as photocopies of the partners' passports if the applicant is a company.
- The site plan attested by the concerned authority or a photocopy of the Lease Agreement of the place of business.
- Specimen of the proposed business name of the firm as approved by the Ajman Chamber of Commerce and Industry and addressed to the Municipality.

– The memorandum of association if the owner of the project is a company incorporated in accordance with the prevailing laws in the UAE. The memorandum should be authenticated by the Notary Public at the Ajman Court.

(b) After completion of the above formalities, the concerned Department at the Municipality shall examine the application, carry out the necessary inspection of the project's site and then issue the licence applied for.

### **3. Registration with the Ajman Chamber of Commerce and Industry:**

The owner of the project shall then submit an application for registration with the Ajman Chamber of Commerce and Industry on the specified form, attaching the following documents:

- Photocopy of the licence issued by the Municipality
- Photocopy of the Passport of the owner of the project or that of the partners.
- Photocopy of the partnership agreement or memorandum of association if the owner of the project is a company.
- Giving the relevant industrial details of the project on the form specified for this purpose.

On the basis of the above, the chamber certificate shall be issued which shall qualify the establishment to enjoy the following services:

(i) Participation in tenders invited by the government departments.

(ii) Issue of certificates of origin which shall permit the establishment to export its products abroad.

(iii) To enjoy the other services provided by the chamber to its members such as the information, data and services related to industrial development studies. The chamber helps in the industrial promotion field, in co-ordination with the other competent departments, for encouragement of exports or participation or

organisation of trade fairs. The other services of the chamber include compiling of commercial and industrial directories and providing the library with the references, books, periodicals, statistics and reports beneficial to the projects owners and the business community.

**4. Inscription of the Project in the Industrial Register at the Industrial Department, Ministry of Finance and Industry and obtaining the Industrial Production Licence:**

- (a) Submission of the application for inscription on the form prepared for this purpose.
- (b) Photocopy of the industrial licence issued by the Municipality.
- (c) Photocopies of certificates of registration with the Chamber and inscription in the Commercial Register.
- (d) Photocopy of the partnership deed or memorandum of association notarized by the court and approved by the Ministry of Economy and Commerce.

The project shall be inscribed in the Industrial Register and the Department sends inspectors to verify and ensure the commencement of operations in the factory and that the activity specified in the licence is practiced. Inscription in the Industrial Register has special importance because it entitles the firm to get from the Ministry a certificate stating the added value to the products. This certificate allows products to enter the other AGCC countries duty-free and without any restrictions. After inscribing the project in the Industrial Register, the owner shall be granted a licence for industrial production. Such licence shall enable the owner of the project to benefit from any incentives, advantages, exemptions or financing programmes provided by the government to the industrial projects.

However, the owner of the project should furnish the department with annual reports on the activity of the factory, industrial production progress, cost of production and the products manufactured on the form prepared for this purpose, together with a balance sheet audited by a chartered accountant licensed by the government. Moreover, the owner should notify the department of any change or amendment introduced to the data given in the application for inscription. All data submitted by the owner of the

project shall be deemed confidential and only authorized government officials shall have access thereto