



Djibouti International  
Administration



**Djibouti**  
Ports & Free Zones Authority

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Government of Djibouti

## Djibouti Ports & Free Zones Authority

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*delivering success*



Djibouti Ports & Free Zones Authority is committed to supporting businesses and creating the commercial environment and infrastructure they need to succeed. To achieve this DPFZA has appointed the world leaders in Free Zone administration, development and management – Dubai International Administration (DIA), a branch company of Dubai International Djibouti FZE, from Dubai.

DIA ensure that the same business-friendly services and operations enjoyed in Jebel Ali Free Zone are replicated in Djibouti, giving investors and businesses a level of confidence and competitive advantage never before available on the African mainland.

Businesses and investors wishing to establish an operation in Djibouti will find a streamlined and accessible procedure, with paperwork kept to a minimum. A brief outline of the Licence and Registration requirements and procedures for various business models are detailed in this leaflet.

The DPFZA provides a 'one stop shop' service for all administrative matters relating to setting up a business in any Djibouti Free Zone. This includes obtaining visas, residence permits, security passes etc for all incoming management and staff involved in your new operation.

## LICENCES

### Issuing Licences

Companies accepted for operation in a Djibouti Free Zone will be granted either a Trading Licence, General Trading Licence, Industrial Licence, National Industrial Licence, or Services Licence by the Djibouti Ports & Free Zones Authority. These Licences will remain valid whilst a company maintains a current lease agreement for the Free Zone and are renewable annually so long as the lease agreement is in force.

**Trading Licences:** issued to companies involved in selling, import and export of up to 5 named product types.

**General Trading Licences:** issued to companies involved in selling, import and export of an unlimited range of products.

**Industrial Licences:** issued to companies wishing to conduct activities such as manufacturing, canning, packaging and re-assembly.

**National Industrial Licences:** issued to companies established within a Free Zone or registered either within or outside Djibouti. The share capital of the company must be at least 51% Djiboutian.

**Services Licences:** issued to companies that hold a valid Licence from the respective government body in Djibouti. Such companies are permitted to conduct services activities such as banking, insurance, contracting, professional and similar services.

## REGISTRATION TYPES

### **Pre-qualification**

To qualify for establishing a company, you merely need to have a company already registered either in Djibouti or Overseas- including Offshore companies. Alternatively, you could form a legal entity right in a Djibouti Free Zone – called the Free Zone Establishment (FZE) or Free Zone Company (FZCO).

### **Branch of a Company**

There is no obligation of minimum paid capital. A company would have to submit legal documents, including a Board Resolution, calling for the establishment of a branch in the specified Free Zone and guaranteeing full financial commitment.

Alternatively, a company can register a new legal entity in a Djibouti Free Zone by establishing a Free Zone Establishment (FZE) or Free Zone Company (FZCO).

An FZE or FZCO has many inherent benefits. Its affairs are completely separate from those of its owners. It can have its own board of directors. Since it is independent from its owner (individual or non-individual) it can retain its profits. Also since an FZE or FZCO can use an international name or identity, its marketing activities will remain unaffected

### **Free Zone Establishment (FZE)**

The Free Zone Establishment is established with a single shareholder. The liability of the single shareholder is limited to the amount of the paid-up share capital of US\$140,000 or multiples thereof.

### **Free Zone Company (FZCO)**

The Free Zone Company (FZCO), with limited liability, can be formed with Multi Shareholding partners (a minimum of 2 and maximum of 5 partners) and there is no obligation to take on a local partner. Its affairs are completely separate from those of its partners. The minimum capital required is US\$70,000 (US\$14,000 minimum per shareholder).

### **Procedure for obtaining a Licence and leasing a facility**

- 1) The first step to operate from a Djibouti Free Zone is to submit a completed 'Application for Licence' form.
- 2) Companies setting up an FZE or FZCO will also have to submit an FZE or FZCO form
- 3) After provisional approval investors will have to submit the relevant legal documents (see list). Investors are provided with a sample Lease Agreement, Personnel Secondment Agreement, FZ rules and Implementing Regulations (in the case of an FZE or FZCO)
- 4) If all documents are in order the investor can collect and sign the formal Lease Agreement and Personnel Secondment Agreement and make all necessary payments, after which the allocated facility will become available.
- 5) The Licence will become available after one working day.
- 6) For an FZE or FZCO the applicant will also have to show that the required share capital has been deposited in the bank, after which a Certificate of Formation and Share Certificate will be issued.

### **Additional steps are required for investors constructing their own facility on a plot of land:**

- Detailed plans should be submitted through a locally-registered consultant
- Applicant should approach the Electricity Authority, Electricite de Djibouti (EDD), Water Authority, Office Nationale des Eaux de Djibouti (ONED) and Djibouti Telecom to obtain a Building No Objection certificate (NOC), which shall be submitted to the DPFZA
- When the above is reviewed and approved a Building Permit is issued and construction may be started by a locally-registered contractor.
- Upon completion of the building the lessee must request DPFZA (through the consultant) to inspect the premises.
- If satisfactory a building Completion Certificate will be issued. This will need to be presented to EDD and ONED for them to release power and water supply.
- After the installation of all machinery and equipment an Operation Fitness Certificate will be issued. Applicants for entry permits for operatives to be sponsored by DPFZA will not be accepted until after the Completion and Operation Fitness Certificates have been issued
- The licence will be issued once the building is ready for occupation or 70% of the project is accomplished.

## DOCUMENTS REQUIRED FOR ESTABLISHING A BRANCH COMPANY

1)	Certificate of Registration of the company or Original certificate of Good Standing of the company	Attested/Notarised
2)	Memorandum & Article of Association.	Attested/Notarised
3)	<p>Company's Board Resolution calling for the Establishment of a branch in a Djibouti Free Zone and guaranteeing full financial commitment and appointment of the following:</p> <ul style="list-style-type: none"> <li>• Negotiator or Legal Representative + Power of Attorney + Specimen of his signature + Passport Copy</li> <li>• Manager or Representative + Specimen of signature + passport copy</li> </ul>	<p>Attested/Notarised</p> <p>Notarised</p> <p>Notarised</p>

## DOCUMENTS REQUIRED FOR ESTABLISHING A FZE OR FZCO

### INDIVIDUAL APPLICANT

1)	<p>Applicant's personal details e.g Business Background</p> <ul style="list-style-type: none"> <li>• Specimen of applicant's signature + passport copy</li> <li>• Original Banker's reference</li> </ul>	<p>Notarised</p> <p>Notarised</p>
2)	<p>Owner Declaration and appointment of the following:</p> <ul style="list-style-type: none"> <li>• Negotiator or Legal Representative + Power of Attorney</li> <li>• Manager &amp; specimen of signature + passport copy</li> <li>• Directors &amp; specimen of signature + passport copy</li> <li>• Secretary &amp; specimen of signature + passport copy</li> </ul>	<p>Notarised</p> <p>Notarised</p> <p>Notarised</p>

### NON-INDIVIDUAL APPLICANT

1)	<p>Certificate of Registration of the company or Original certificate of Good Standing of the company</p> <ul style="list-style-type: none"> <li>• Memorandum &amp; Article of Association</li> </ul>	<p>Attested/Notarised</p> <p>Attested/Notarised</p>
2)	<p>Board Resolution calling for the Establishment of the FZE or FZCO and appointment of the following:</p> <ul style="list-style-type: none"> <li>• Negotiator or Legal Representative + Power of Attorney</li> <li>• Manager &amp; specimen of signature + passport copy</li> <li>• Directors &amp; specimen of signature + passport copy</li> <li>• Secretary &amp; specimen of signature + passport copy</li> </ul>	<p>Notarised</p> <p>Notarised</p> <p>Notarised</p> <p>Notarised</p>

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