

## Family Office Rules<sup>1</sup>

### Part A

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

In these Family Office Rules, unless the context otherwise requires, words or expressions not defined have the same meaning as in the Dubai Multi Commodities Centre Authority Company Regulations 2024 (the **Company Regulations**), and the following words have the following meanings:

**Applicable Laws** means the Laws and rules applicable to and in the DMCC Free Zone, including any other laws, regulations, rules, policies and procedures issued by DMCCA from time to time;

**Continuation** means, with effect from the date of continuation stated in the Certificate of Continuation, a Continuing Entity becomes a Company on the Register of DMCC Entities, which is required to obtain a Licence (and **Continued** has a corresponding meaning);

**DMCC Entity** means a Company or a Branch;

**DMCC Family Office** means a DMCC Entity that holds an active Licence under the Company Regulations that grants it the power to carry out a Family Office Activity;

**DMCC Family Office Licence** means a Licence to carry out a Family Office Activity;

**DMCC Free Zone Activity Sheet** means the document listing the details of each licensable activity in the DMCC Free Zone, which can be accessed via the DMCCA website;

**Existing** means being in existence, which is demonstrated as follows: a) in respect of a Company, the Registration of that Company; and b) in respect of a Continuing Entity, the Continuation of such entity (and **Exist** has a corresponding meaning);

**Family** means the individuals who are, at the time of the submission of the relevant Licence application, the direct descendants or adoptees of a common parent or that parent's spouse (including any widows or widowers, whether or not remarried) down to three generations from the common parent or spouse, as well as any individuals who are the future descendants and spouses of Family Members. **Family Member** and other derivative terms shall be construed accordingly;

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<sup>1</sup> Effective date 10 October 2024, unless otherwise advised by DMCCA

**Family Office Activity** means the Single Family Office Activity or the Multi Family Office Activity;

**Law** means any and all legislation, decrees, resolutions, acts, statutes, ordinances, rules or regulations, directives and other orders, treaties, by laws, codes of practice and other subordinate legislation, of any UAE Governmental Authority;

**Licence Fee** means the fee payable, as determined by the DMCCA from time to time and set out in the Schedule of Charges, to obtain a Licence;

**Multi Family Office** means a DMCC Family Office that holds an active Licence to carry out the Multi Family Office Activity;

**Multi Family Office Activity** means the provision of non-regulated non-financial services (such as concierge, business management or technology) by either a Family Member or an independent third party to more than one Family by way of business in or from the DMCC Free Zone for the purpose of supporting the management or administration of assets belonging to the relevant Families;

The Multi Family Office Activity corresponds to the activity with the title 'Multi Family Office (DMCC)' in the DMCC Free Zone Activity Sheet;

**Multi Family Office Initial Criteria** has the meaning provided in Rule 3.2.3 of these Family Office Rules;

**Private Register** has the meaning provided in Rule 4.1 of these Family Office Rules;

**Qualifying Multi Family Office Investment** means any business, corporate entity, foundation, trust or other vehicle whose Ultimate Beneficial Owner is a Family that:

- (a) has been approved by the DMCCA; and
- (b) owns a 100% ownership interest in the vehicle in question (with no other ownership interests present);

**Qualifying Single Family Office Investment** means any business, corporate entity, foundation, trust or other vehicle whose Ultimate Beneficial Owner:

- (a) is a Family Member of the same Family; and
- (b) owns a 100% ownership interest in the vehicle (with no other ownership interests present);

**Renewal Fee** means the fee payable, as determined by the DMCCA from time to time and set out in the Schedule of Charges, to renew a Licence;

**Restricted Financial Services** means any activity listed as requiring a license under Annex No.1 (Licence Categories and Requirements) of UAE Securities and Commodities Authority Decision No.13/RM/2021 on the Rulebook for Financial Activities and Mechanisms of Status Adjustment;

**Schedule of Charges** means the fees, rents or other charges applicable to the DMCC Free Zone published and enforced by the DMCCA from time to time;

**Single Family Office** means a DMCC Family Office that holds an active Licence to carry out the Single Family Office Activity;

**Single Family Office Activity** means the provision of financial and non-financial services (such as wealth management, asset management, concierge work, day-to-day accounting and the management of legal and corporate governance affairs) by a Family Member to the same Family by way of business in or from the DMCC Free Zone for the purposes of holding or investing assets belonging to the Family or one or more of its Family Members or for the purpose of succession or legacy planning;

The Single Family Office Activity corresponds to the activity with the title 'Single Family Office (DMCC)' in the DMCC Free Zone Activity Sheet;

**Single Family Office Initial Criteria** has the meaning provided in Rule 3.2.2 of these Family Office Rules;

**Tariff** means the tariff of fines, levies and penalties applicable to the DMCC Free Zone published and enforced by the DMCCA from time to time;

**UAE Governmental Authority** means any authority, court or other body which is, or operates as part of, the Federal Government of the UAE or the Government of Dubai; and

**Ultimate Beneficiary** means any natural person who, either alone or together with others, ultimately owns or controls 25% or more of the DMCC Entity in question.

## 1.2 Interpretation

1.2.1 In these Family Office Rules, a reference to:

- (a) a provision of any Law, rule or regulation includes a reference to that Law, rule or regulation as amended, extended or re-enacted from time to time;
- (b) a person includes any natural person, corporate entity or unincorporated entity, including a company, partnership, unincorporated association, government or state;
- (c) an obligation to publish, or to cause to be published, a particular document includes, unless expressly provided otherwise in these Family Office Rules, publishing or causing to be published in printed or electronic form;

- (d) day, week or month means a calendar day, week or month;
- (e) a calendar year means a year of the Gregorian calendar;
- (f) a word that suggests one gender includes all genders;
- (g) the singular includes the plural and vice versa, unless the context otherwise requires;
- (h) include or including means without limitation;
- (i) writing or written includes any mode of communication that preserves a record of the information contained in it and is capable of being produced or reproduced in tangible form, including electronic means; and
- (j) a Rule means a rule of these Family Office Rules.

1.2.2 The headings in these Family Office Rules do not affect its interpretation.

## Part B

### **2. GENERAL**

- 2.1 All DMCC Family Offices are subject to and must comply with the following:
- 2.1.1 these Family Office Rules;
  - 2.1.2 the Licensing Rules;
  - 2.1.3 the Company Regulations; and
  - 2.1.4 all other Applicable Laws and Rules.
- 2.2 These Family Office Rules come into force on the effective date notified by DMCCA and will be published in a manner prescribed by DMCCA. It is the responsibility of each DMCC Family Office to check for amendments or updates to these Family Office Rules and any new or amended notices, policies and procedures issued from time to time.
- 2.3 Any DMCC Family Office that commits any breach of these Family Office Rules will, in addition to any other decisions that may be made by the Registrar, be subject to Sanctions, or as otherwise determined. DMCCA may issue or impose such Sanctions against any DMCC Family Office, DMCC Entity or person who the DMCCA considers to be in breach of these Family Office Rules, the Licensing Rules, the Company Regulations and/or any other Applicable Laws and Rules. DMCCA reserves the right to issue or impose any Sanctions for such behaviour or activity.
- 2.4 Any decision or determination by DMCCA or the Registrar (as the case may be), including the giving or rejection of any approval or consent or imposing any conditions or other requirements, is given in DMCCA's or the Registrar's absolute discretion. DMCCA and the Registrar accept no liability for any loss whatsoever arising from or in connection with any decision or determination.
- 2.5 On making any decision or determination referred to in the Rule above, the Registrar shall notify the DMCC Family Office, unless otherwise restricted from doing so by court order or legislative requirement.

## Part C

### 3. GRANTING OF LICENCES

#### 3.1 Requirement for prior approval

3.1.1 A DMCC Family Office may not carry out a Family Office Activity without having secured prior approval in relation to the Family Office Activity specifically from the DMCCA.

3.1.2 The Registrar may at any time require a DMCC Family Office to apply for a different activity, including an activity that is not a Family Office Activity.

#### 3.2 Licence application initial criteria

3.2.1 An applicant for a DMCC Family Office Licence in the DMCC Free Zone must meet the applicable criteria in the Licensing Rules.

3.2.2 Without prejudice to Rule 3.2.1, an applicant for a Single Family Office Licence in the DMCC Free Zone must also meet the following criteria at the time of the submission of their application to the DMCCA (the **Single Family Office Initial Criteria**):

- (a) the applicant must be a Company incorporated as a Free Zone Limited Liability Company (whether limited by shares or by guarantee) in the DMCC Free Zone;
- (b) the applicant must not be a Branch;
- (c) the applicant must not have any Shareholder or Ultimate Beneficiary that is not a Family Member;
- (d) the applicant must not have a Director who is not a Family Member;
- (e) the applicant must not hold any other active Licences;
- (f) the applicant may have either a natural person or a corporate entity as its immediate Parent or Parents provided that the criteria in Rules 3.2.2(a) and 3.2.2(b) are met;
- (g) the applicant must ensure that every Director of the applicant is a Family Member. Where the applicant is the immediate Subsidiary of a trust, the applicant may appoint one or more trustees or fiduciaries as a Director;
- (h) where the applicant employs or outsources any of its functions to persons who are performing professional or regulated roles, such as those of a lawyer or financial services advisor, each person holding such a position must be appropriately qualified, certified and regulated in compliance with the Applicable Laws; and

- (i) the applicant must hold a minimum of USD 1 million in investible or liquid assets.

3.2.3 Without prejudice to Rule 3.2.1, an applicant for a Multi Family Office Licence in the DMCC Free Zone must also meet the following criteria at the time of the submission of their application to the DMCCA (the **Multi Family Office Initial Criteria**):

- (a) the applicant must be a Company incorporated as a Free Zone Limited Liability Company (whether limited by shares or by guarantee) in the DMCC Free Zone;
- (b) the applicant must not be a Branch;
- (c) the applicant must not hold any other active Licences;
- (d) the applicant must have obtained prior written approval from the DMCCA in relation to each separate Family it wishes to provide a Family Office Activity to;
- (e) the applicant must not propose to carry out or already carry out any Restricted Financial Services; and
- (f) where the applicant employs or outsources any of its functions to persons who are performing professional or regulated roles (such as those of a lawyer or financial services advisor), each person holding such a position must be appropriately qualified, certified and regulated in compliance with the Applicable Laws.

## 4. PRIVATE REGISTER

4.1 The information set out in Regulation 7.5 of the Company Regulations shall be recorded for all DMCC Family Offices on a separate private register (the **Private Register**) by the registrar for the Private Register. This information shall not be recorded on the Register of DMCC Entities.

4.2 The information recorded on the Private Register shall be kept confidential.

4.3 Any filings, reports or notices that are required to be made under any Applicable Law by a DMCC Family Office shall be kept confidential.

4.4 The registrar of the Private Register shall, following an application by a Family Member, a DMCC Family Office, or an authorized representative of the Family Member or DMCC Family Office, produce an extract of the requested information on the Private Register, provided that this information only relates to the DMCC Family Office that is submitting the request and not any other DMCC Entity.

4.5 Any references to the Register of DMCC Entities in the Licensing Rules shall be read as references to Private Register. References to the Registrar in the Licensing Rules shall be read as references to the registrar of the Private Register.

## **5. PERMITTED ACTIVITIES**

5.1 A Single Family Office is permitted to:

- 5.1.1 invest in an ownership interest in a Qualifying Single Family Office Investment;
- 5.1.2 act solely as a protector or conduit for an offshore regulated trustee that is operating a trust or foundation;
- 5.1.3 supervise and coordinate activities among foreign fiduciary service providers; and
- 5.1.4 employ Family Members and appoint Family Members as Directors, provided that this is in compliance with other Applicable Laws.

5.2 A Multi Family Office is permitted to:

- 5.2.1 invest in an ownership interest in a Qualifying Multi Family Office Investment;
- 5.2.2 act solely as a protector or conduit for an offshore regulated trustee that is operating a trust or foundation; and
- 5.2.3 supervise and coordinate activities amongst foreign fiduciary service providers.

## **6. LICENCE TERMS AND CONDITIONS**

### **6.1 Ongoing compliance with initial criteria**

- 6.1.1 It shall be a condition of a Licence granted to a DMCC Family Office that the DMCC Family Office shall comply with both the Licensing Rules and the applicable Family Office Rules on an ongoing basis for as long as it holds an active Licence.
- 6.1.2 A failure to comply with Rule 6.1.1 shall be treated as a failure to comply with a term or condition of a Licence for the purposes of the Licensing Rules.

### **6.2 General Conduct**

- 6.2.1 A DMCC Family Office must not confer any position, benefit or remedy to a Family Member other than those provided in the DMCC Family Office's official documentation (including any Articles of Association provided by the DMCCA).



## 6.3 Prohibited activities for Single Family Offices

6.3.1 It shall be a condition of a Licence for a Single Family Office that:

- (a) no shares or other ownership interests in the Company that constitutes the Single Family Office shall be transferred to persons who are not Family Members;
- (b) the Single Family Office shall not carry out any activities (including managing, advising on or safeguarding) in relation to assets that are not Qualifying Single Family Office Investments;
- (c) the Single Family Office shall not act as a trustee and must provide any Family Office Activities in its own right;
- (d) there shall be no material change in the Ultimate Beneficial Ownership of the Single Family Office without this being reported in advance to the DMCCA, even where the new Ultimate Beneficial Owner is a Family Member;
- (e) there shall be no material change in the number of Family Members that are being served or advised in any capacity by the Single Family Office without this being reported in advance to the DMCCA; and
- (f) there shall be no material change in the type of services or activities provided by the Single Family Office without this being reported in advance to the DMCCA.

## 6.4 Prohibited activities for Multi Family Offices

6.4.1 It shall be a condition of a Licence for a Multi Family Office that:

- (a) the Multi Family Office shall not appropriate any shares or other ownership interests from any Family or Family Member to whom services are being provided;
- (b) the Multi Family Office shall not act as a trustee and shall provide any Family Office Activities in its own right;
- (c) there shall be no material change in the Ultimate Beneficial Ownership of the Multi Family Office without this being reported in advance to the DMCCA;
- (d) there shall be no material change in the number or identity of Families that are being served in any capacity by the Multi Family Office without this being reported in advance to the DMCCA; and

- (e) there shall be no material change in the type of services or activities provided by the Multi Family Office without this being reported in advance to the DMCCA.

## **6.5 Naming**

6.5.1 The legal name of a DMCC Family Office that is a Single Family Office must end with 'SFO DMCC'.

6.5.2 The legal name of a DMCC Family Office that is a Multi Family Office must end with 'MFO DMCC'.

## **7. MISCELLANEOUS**

### **7.1 Registrar's powers**

7.1.1 The Registrar may add to, amend or delete any of these Family Office Rules (including, but not limited to, any Family Office Activity) and the entries in the Private Register at its discretion.