



SINGLE FAMILY OFFICE IN THE UAE

WHAT ARE THE OPTIONS?

SPRING 2025



Introduction

Over the past decade, the UAE has become a leading private wealth management hub and global gateway for UHNW individuals and their families. The growing single-family office (“**SFO/s**”) ecosystem is a key part of this momentum.

One hand, there are local needs. Family-owned businesses are a cornerstone of regional wealth generation, and the region is on the cusp of an unprecedented intergenerational transfer of wealth. USD 1 trillion is to go from one generation to the other in the Gulf over the next decade.

Established by UHNW individuals (“**UHNWs**”) – usually those with a net worth of over USD 30 million – to manage positive cash surplus, and safeguard exponentially growing wealth for future generations and sensibly pass it to their heirs, SFOs work at the nexus of these events [See chart **‘Family Business I Family Holding I Family Office – made simple’**].

On the other hand, the UAE has gradually supplanted traditional wealth centres in the SFO space [See chart **‘Follow the Trends’**]. In a context of high inflation and economic uncertainty, many have opted to shift their proprietary investment infrastructure to the Gulf, convinced by the UAE’s clear and effective policymaking combined with fundamentals such as security, political stability, high GDP, a fiscally advantageous climate and world class connectivity. An estimated **4,000 millionaires** have flocked to the UAE in 2022. In 2024, this number exceeded **6,700**, with a 50% increase anticipated over the next decade.

Following a dramatic revamp and expansion of its regulatory framework, the UAE offers arguably the most comprehensive and sophisticated tool chest of wealth structuring/business continuity solutions in the world. The most sophisticated of these can be found within the common law financial free zones of the Abu Dhabi Global Markets (“**ADGM**”) and the Dubai International Financial Centre (“**DIFC**”) [See chart **‘Follow the Trends’**].

In a challenging economy, increased reliance is put on SFOs to perform and be the key drivers of the next growth phase. Tools alone do not guarantee a SFO’s success. It is paramount for families to select, implement and constantly optimise the SFO arrangement to suit the family’s investment strategy and needs at the time.

Irrespective of the stage of your wealth management journey [See chart **‘A SFO’s Evolutive Journey’**], we trust this fact sheet will help you navigate the UAE’s SFO offering and reach your objectives.



What is an SFO?

A private entity or arrangement aimed at managing the investments and affairs of one single family. Assets under management are the family's own wealth, often accumulated over several generations. May be set up as a top holding structure or in combination with a trust/foundation, where it operates as the trustee of a family trust.

Designed to provide services to members of one single family. In addition to investment management, typically also provide family management services, e.g. family governance, family assemblies, financial and investment education of family members, concierge services, coordination of charitable and philanthropic activities.

Why an SFO?

Integrating clear governance and management structures (including legacy planning) into an SFO provides a family with clear and transparent guidelines to deal with the complexities of family wealth and minimizes the potential for future conflicts.

Expert advice from individuals paid by an SFO, ensures impartial investment advice, privacy, confidentiality as well as alignment of interest between advisers and family.

Centralisation of asset management under an SFO allows for:

- formalization of investment procedures;
- promotion of family involvement; and
- maximization of investment returns, for all family members.

Consolidation of performance management and reporting helps advisors and families to take effective decisions in line with the mission and investment strategy of the SFO.

Separation of the family's operational assets (family business) from the family's wealth or surplus holdings ensures that the family's wealth receives the nurturing and attention it requires to thrive.

A wide range of other functions and tailored services can be adapted for cash-rich / time-poor families (e.g. philanthropy role, concierge services, communication and education to meet the family's mission and goals).



Key Considerations

CAPITAL VS COSTS

Some jurisdictions require a minimum capital u/ management. Consider whether family's assets are sufficient to justify standalone management and legacy planning structure.

ECOSYSTEM

Consider benefits of operating from centres where family can benefit from sophisticated markets, legal, regulatory and tax structures. Access to know-how and recruitment of skilled employees is also key.

MAKE-OR-BUY

Careful considerations should be taken with regards to outsourcing services vs keeping them "in the family". Relying on outsourced advice may decrease costs, provide independent strategic guidance and educate the family on latest wealth management tools and strategies. Keeping certain services within SFO increases confidentiality, provides family with tight control structures and assures alignment of goals, avoiding conflict of interest.

GOVERNANCE & MANAGEMENT STRATEGY

While the needs of the family and the objectives of SFO may change over time, implementing a thought-through yet flexible governance and management strategy is key for the successful operation of an SFO and helps avoid conflicts – especially with next-generation succession.

*USD 1 trillion is to go from
one generation to the other in
the Gulf over the next decade.*



A SFO Evolutive Journey (1)



Founder's Office

Simple set up focusing on solving Founder's basic financial [liquidity, bills payments, tax returns] **and non-financial** [concierge support; business succession, transition planning] needs.

Usually **embedded into operating business**.
Assistant- level support staff.

Financial requirements:

- Managing liquidity;
- Handling bill payments - renewals on vehicles, recurring monthly fees (DEWA/ service charges) and annual charges;
- Filing tax returns.

Non-financial requirements:

- Concierge-type services;
- Business succession and transition planning.



Emerging Family Office

Expended support scope, incl. Founder's family members.

Beyond basic financial functions, formalisation of investment & credit strategy, introduction of reporting function, vendors [custodian, asset manager, accountant] monitoring.

Structural optimisation/ consolidation of assets under SFO's management.

Usually **virtual or embedded into operating business**.

Assistant- level support staff complemented by **outsourced qualified professional support**.

Maintenance of a Custodian Management Platform:

- Portfolio integration;
- Fund management products;
- Proper reporting and safekeeping of the family's assets.

Information Reporting:

- Provision of financial reports;
- Consolidated picture of wealth holdings;
- Improved decision making when investing or making long-term goals.

Investment Strategy:

- Subject specific input from qualified professionals and/ or advisors;
- Real estate structures

Investment Structures and Managers:

- Appointment of managers
- Oversight on key investments

Structures and Beneficiaries:

- Consolidation of structures;
- Determination of beneficiaries.

Credit Needs:

- Credit facilities for family members;
- No interest;
- Delayed repayment.



A SFO Evolutive Journey (2)



Established Family Office

Broad spectrum of services tailored to family at large and key members needs.

Customised investment & credit strategy, reporting function.

Introduction of **performance measurement and monitoring**
Usually **standalone**.

Combination of **qualified** and assistant- level support **staff**, **complemented by outsourced qualified professional support**.

Customised Reporting for Family Members:

- Investment reporting - each family member;
- Wealth management approach.

Performance Measurement and Reporting:

- Performance can be quantified – returns/profits;
- Improved strategy from a high level perspective

Monitoring Investment Managers:

- Investments/ investment managers can be internally monitored by professionals appointed.

Accounting Analysis and Tax Preparation:

- Leverage can be maintained inhouse;
- High degree of confidentiality;
- International relocation
- Double tax treaty planning

Estate Planning and Wealth Transfer Structures and Strategies:

- Establishment of a family council;
- Consideration of foundation structures and trusts.

Life Insurance

Gifts during lifetime



Multi-generational Family Office

Final evolution combining all previous stages.

Full menu of bespoke services (e.g. philanthropy, tax, legal), accessible **to all family members**.

Active involvement of **Next Gen**.

Standalone. Full staffing.

Educating Future Generations and revitalizing Family Mission:

- Education on best practices
- Family's mission is met.

Determining Philanthropic Intent

- Grant decision making
- Giving strategy

Fund Allocation:

- Access to a particular pool of assets

Vehicle Management

- Aircrafts
- Yachts
- Supercars

Nominee Services

Family Foundation Management and Administration:

- Inhouse management
- Documentation for good corporate governance.

Estate Settlement:

- Strategy on consolidation of assets/ their transfer.
- Asset allocation strategy

Ensuring Family Legacy:

- Protecting assets
- Continuity of businesses



Family Business | Family Holding | Family Office

- made simple (1)

	Family Business	Family Holding	Family Office
Type	Active , operating business	Passive structure	Active, family-focused only
Activity	Specific to business line [service/trade/manufacturing]	Assets consolidation, management	Mix of financial [liquidity, investment management & credit function, reporting] and non-financial [concierge support; succession, legal, tax] support. Specific to Founder/Family.
Objectives	Value creation; yield generation	Consolidation; performance measurement and monitoring; risk segregation [by asset class (via sub-holdings)]	Institutionalisation of wealth management function beyond cash event/s trigger/s.



Family Business | Family Holding | Family Office

- made simple (2)

	Family Business	Family Holding	Family Office
Revenue Drivers	Concentrated within business sector/s of activity/ies undertaken	Partially/fully diversified. Range of assets/asset classes specific to Founder/Family.	Fully diversified, following clearly defined strategy
Financial wealth protection	No [exposure to risk, e.g. market, creditors]	Yes	Yes

Follow the trends! (1)

What sophisticated families are looking for...



Privacy



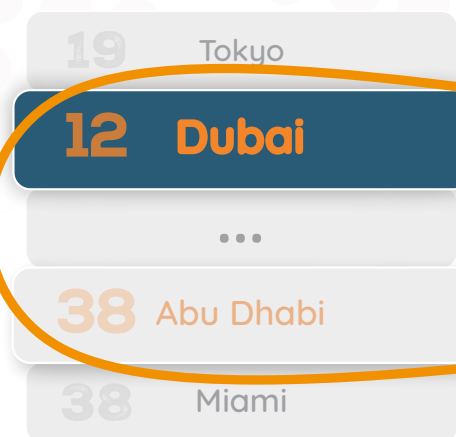
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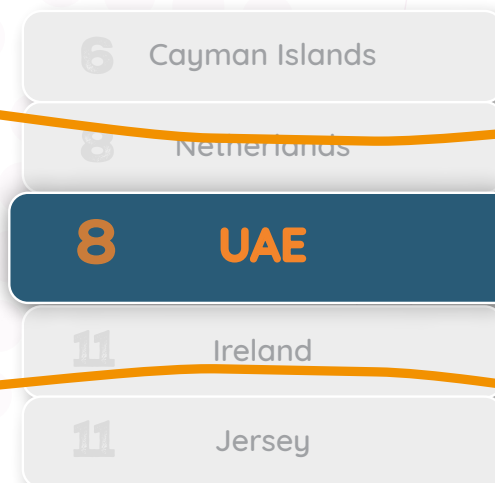
Super-jurisdictions'
features

...and where they can find it.

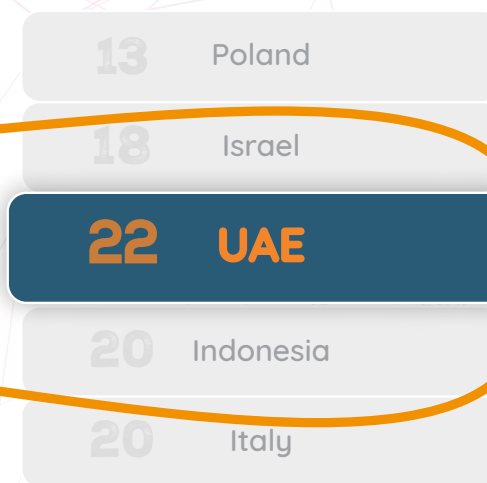
Global Financial Centres¹



Leading Structuring Jurisdictions²



Top FDI Destinations³



1. GFCI 37 Report 2025 | www.longfinance.com
 2. Globalisation evolves business stick tried and tested jurisdictions | www.vistra.com
 3. FDI inflows, top 20 host economies | www.unctad.org



Follow the trends! (2)

<p>BLUE CHIPS</p> <p>DIFC SFO License typically combined with DIFC Foundation</p> <p>ADGM SFO License typically combined with ADGM Foundation</p>	<p>M/HQ's TAKE</p> <p>"Permanent Est't in a tier 1, common-law denominated financial center; 'Family Office' specific license; Exempt of direct supervision of financial regulator. Business continuity proof. The S-Class of SFO options"</p>
<p>CREATIVE ALTERNATIVES!</p> <p>DIFC PresCo In combo with DIFC Foundation</p> <p>ADGM SPV In combo with ADGM Foundation</p>	<p>M/HQ's TAKE</p> <p>"Who says DIFC/ADGM options are expensive? Full benefit Permanent Est't in a tier 1, common-law denominated financial centre; 'Family Office' function accommodating structure; Exempt of direct supervision of financial regulator. Business continuity proof"</p>
<p>THE OTHERS</p> <p>DMCC</p> <p>DWTC</p>	<p>M/HQ's TAKE</p> <p>"Need staff? There is value in non-financial free zones. Combine with a holding vertical regis'd in ADGM/DIFC, and 'voila!'"</p>



Follow the trends! (3)

	SFO		Holding	PresCo / SPV	Foundation
Regulated Framework	<small>DIFC</small> No Non-regulated	<small>ADGM</small> No Non-regulated	<small>DIFC</small> <small>ADGM</small> No Unregulated	<small>DIFC</small> <small>ADGM</small> No Unregulated	<small>DIFC</small> <small>ADGM</small> No Unregulated
Legal System	<small>DIFC</small> Common Law DIFC Courts	<small>ADGM</small> Common Law ADGM Courts	<small>DIFC</small> Common Law DIFC Courts	<small>DIFC</small> Common Law DIFC Courts	<small>DIFC</small> Common Law DIFC Courts
Ownership	<small>DIFC</small> Family comprised of two (2) or more Family Members	<small>ADGM</small> • One individual; • A group of individuals; or • A body corporate	<small>DIFC</small> <small>ADGM</small> No restrictions	<small>DIFC</small> <small>ADGM</small> No restrictions	<small>DIFC</small> <small>ADGM</small> No restrictions
Share capital/ investible funds	<small>DIFC</small> Min. liquidity: USD50,000,000 (aggregate net asset value)	<small>ADGM</small> Min. liquid/ investable assets: USD30,000,000	<small>DIFC</small> <small>ADGM</small> No min. requirement	<small>DIFC</small> <small>ADGM</small> No min. requirement	<small>DIFC</small> <small>ADGM</small> No min. requirement
Physical Premises	<small>DIFC</small> Mandatory Option to waive physical premises obligation and reliance on CSP address if family business can demonstrate substantial UAE presence.	<small>ADGM</small> Mandatory	<small>DIFC</small> <small>ADGM</small> Mandatory	<small>DIFC</small> <small>ADGM</small> c/o Registered Agent	<small>DIFC</small> <small>ADGM</small> c/o Registered Agent
Compliance & Reporting	<small>DIFC</small> <small>ADGM</small> • Balance Sheet • CRS/FATCA • Tax Compliance	<small>DIFC</small> <small>ADGM</small> • Balance Sheet • CRS/FATCA • Tax Compliance	<small>DIFC</small> <small>ADGM</small> • Balance Sheet • CRS/FATCA • Tax Compliance	<small>DIFC</small> <small>ADGM</small> • Balance Sheet • CRS/FATCA • Tax Compliance	<small>DIFC</small> <small>ADGM</small> • Balance Sheet • CRS/FATCA • Tax Compliance

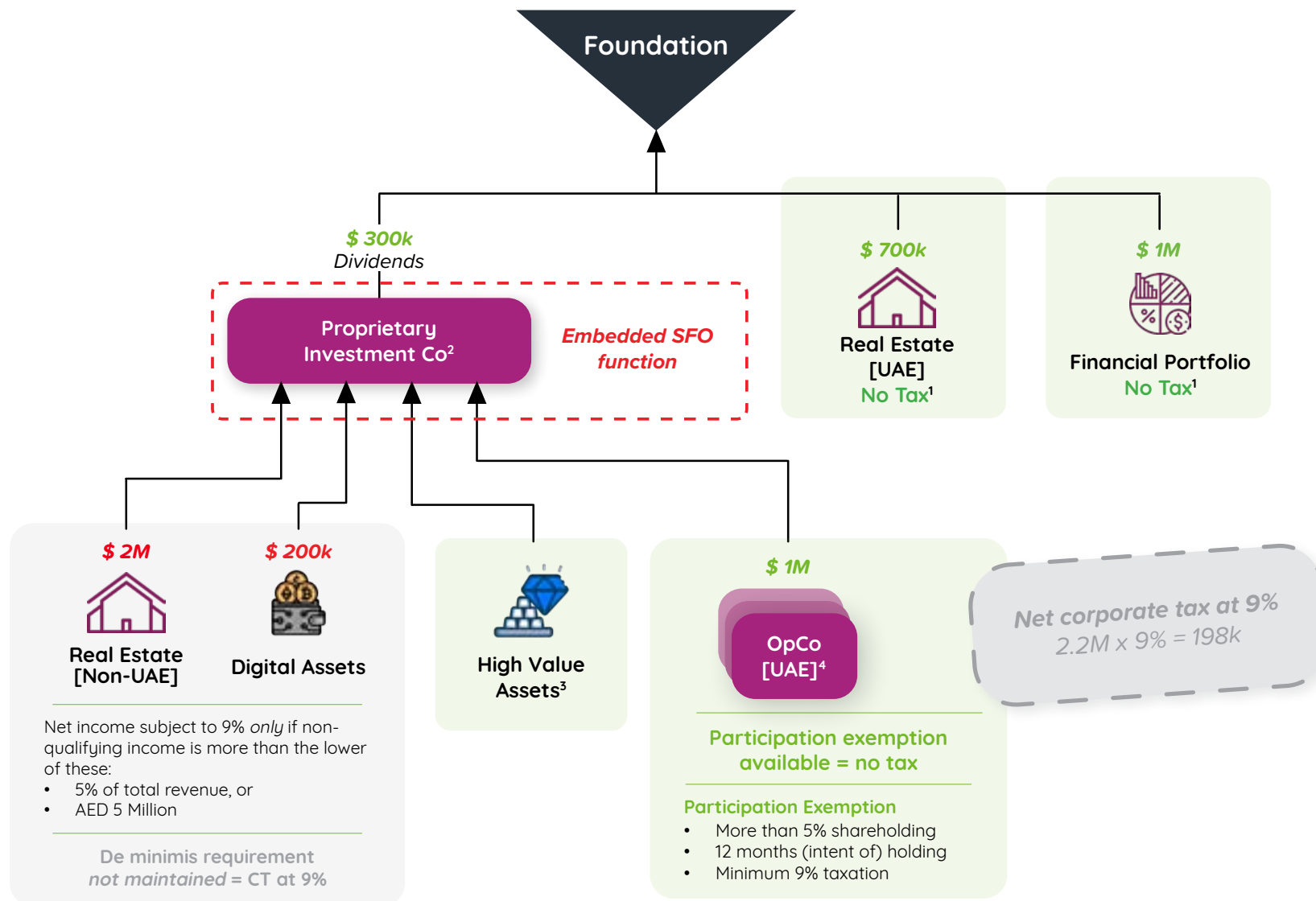


SFO Fiscal Treatment

[Chart for illustrative purposes only]



Scan here for
CT Factsheet



1. Assumption: Foundation qualifies for tax transparency.
2. Proprietary Investment Co (PIC) undertaking (embedded) SFO function [management function, non-monetizing].
3. Assumption: passive holding; non yield-generating.
4. Tax implications of UAE OpCos to be assessed separately.



High-level Tax Implications

CT applicable When?	Yes 01/01/2024 onwards
Tax regime	0% CT rate subject to qualifying criteria met <ul style="list-style-type: none">• Substance in the UAE• Accounting records• Transfer pricing rules• Audited Financial Statements• Non-Qualifying Income < AED 5 Million or 5% of Total Income
Investments Income	Domestic dividends: exempt Foreign dividends and capital gains (domestic/ foreign): exempt if participation exemption rules met (> 5% ownership, 12-month (intent of) holding, income taxed at > 9% CT rate)
Calculation	Accounting records with limitations on deductible expenses (e.g., nonbusiness-related expenses)
Applicable CT rate	0% if de minimis is met 9% if de minimis is not met De minimis = Non-Qualifying Income < AED 5 Million or 5% of Total Income
Withholding tax (WHT)	0%
Tax registration	Mandatory, latest by CT return submission
CT return submission deadline	30/09/2025



Your Annual compliance obligations

OBLIGATION	DUE DATE
Licence renewal	licence renewal date
Confirmation statement filing	licence renewal date
Confirmation of data protection processing activities	licence renewal date
Preparation and maintenance of annual accounts	30/06
Corporate governance - board approval of annual accounts	30/06
FATCA/CRS assessment and filing	30/06
Maintenance of statutory registers and minute books	ongoing
Tax reporting obligations	
<ul style="list-style-type: none">Corporate Tax registration	before CT return submission date (preferably before 31/12/23)
<ul style="list-style-type: none">Annual Corporate Tax return and payment of assessed tax	30/09/25
<ul style="list-style-type: none">Transfer pricing documentation	submitted with CT return*
<ul style="list-style-type: none">Value Added Tax (VAT) registration	Upon exceeding the threshold**
<ul style="list-style-type: none">VAT returns	quarterly



Meet the Experts



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Core Focus

- Private Wealth
- Legacy Planning & Asset Protection
- Corporate Structuring & Re-structuring



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Core Focus

- UAE Tax Advisory and compliance
- Tax Planning and Optimization
- ESR Advisory and Compliance



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Core Focus

- Legacy Planning & Asset Protection
- Private Wealth
- Real Estate
- Entrepreneurs & Growth Companies

“A leading authority in the area when it comes to wealth structuring. [...] a go-to”
“[...] very modernised practice, [...] one of the key anchors when it comes to foundations.”

Chambers
AND PARTNERS



The Ultimate Private Wealth Optimization Platform

M/HQ is a multi-services platform catering to successful individuals and entrepreneurial families. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary combination of a market-leading corporate services firm, a private client specialist team and a regulatory & compliance services practice, all through one single platform.

We have extensive experience advising on a broad range of wealth structuring and legacy planning issues. We particularly assist in establishing and servicing **Single- and Multi- Family offices, Family- and Group- Holdings, Foundations** and other asset consolidation/protection and intergenerational wealth management structures.

Headquartered in the UAE, we are an entrepreneurial firm for entrepreneurial clients.



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