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CLIENT ALERT

RAK ICC Elevates Asset Protection in Revised Foundations Regulations

The **Ras Al Khaimah International Corporate Centre** (“RAK ICC”) has enacted significant amendments to its *Foundations Regulations 2019* (the “Regulations”), aligning its asset protection features with leading international standards – particularly [recent enhancements to the DIFC Foundations Law](#).

These updates position RAK ICC Foundations as an increasingly compelling option for private clients, family offices, and institutional investors seeking robust fiduciary structures in the UAE.

What’s New

1. Firewall Provisions

Foreign judgments that conflict with the Regulations will **not** be recognised or enforced. This shields Foundations, their officers, and assets from conflicting external rulings.

2. Statute of Limitation for Claims

A new **three-year limitation period** applies to claims challenging a Foundation’s establishment or asset transfers, enhancing legal certainty and offering founders long-term assurance.

3. Enhanced Creditor Protection Framework

Challenges to property transfers must now meet a higher threshold: a transfer cannot be set aside solely for fraudulent intent – it must also have rendered the founder insolvent. Even then, **liability is capped** at the Founder’s interest in the transferred property. Unrelated Foundation assets remain protected.

4. Duress and Officer Protections

Directives from unauthorized or foreign authorities to Foundation Officers must be disregarded. If compelled by a foreign court, the Officer is **automatically disqualified**, thereby preserving the Foundation’s internal governance autonomy.



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## 5. Private Trustee Foundation Provisions

Property held in trust by a Foundation is explicitly excluded from its own property, ensuring **clear asset segregation and fiduciary integrity**.

## 6. Enhanced Arbitration Framework

The revised Regulations clarify that disputes may be resolved through arbitration, granting arbitral tribunals court-like powers, thereby **reducing risk and enhancing privacy**.

### What We Say

These amendments mark a significant evolution in the RAK ICC Foundations regime. By reinforcing creditor protections, enhancing legal certainty, and clarifying jurisdictional boundaries, the updated Regulations offer greater confidence to founders, contributors, and beneficiaries, and cement **RAK ICC Foundations** as a credible and both locally- and internationally-competitive vehicle for **asset protection, estate planning, and wealth preservation**, capable of catering to the sophisticated needs and objectives of end-users.

A comparative table is provided below, illustrating how RAK ICC's new features correspond with those of ADGM and DIFC Foundations, particularly regarding asset protection.



	RAK ICC	DIFC	ADGM
Governing Law	RAK ICC Foundations Regulations 2019	DIFC Foundations Law DIFC Law No.3 of 2018	ADGM Foundations Regulations 2017
Firewall Provisions - General	✓	✓	✓
Creditor Protection Framework	✓ Strong protection; liability capped; foreign judgments not recognized	✓ Strong protection; liability capped; foreign judgments not recognized	Partial protection; transfers may be voided; no express block on foreign judgments
3-year Statutory Limitation Period	✓	✓	✗
Acting as a Private Trust Foundation	✓	✓	✓
Officer Automatic Disqualification Provisions	✓	✓	✗
Duress Provisions	✓	✓	✗
Protection from Foreign Interference	✓	✓	✓
Arbitration Framework (Dispute Resolution)	✓ Arbitration with court-like powers (via chosen court jurisdiction - ADGM or DIFC)	✓ Arbitration with court-like powers (DIFC law)	Arbitration available but limited to ADGM-connected matters and requires activation via Charter, By-Laws, or agreement

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## Who we are

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**M/HQ** is a multi-services platform catering to financial institutions as well as single family offices and sophisticated private investment companies. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary blend of a 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 **Family- and Group- Holdings, Single- and Multi- Family offices, Foundations**, and other asset consolidation/protection and intergenerational wealth management structures. For financial institutions, we provide tailored solutions that address complex regulatory and compliance requirements, ensuring that operations are both secure and efficient.

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

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