OPINION

PHILANTHROPY IN THE UAE – PATHWAYS FOR IMPACT

Philanthropy has become an increasingly important objective for entrepreneurs and families when considering succession planning and long-term wealth preservation.

> ***"Alongside the transfer of wealth...many families are looking to contribute to lasting impact..."***

At the same time, the UAE has established itself as a leading jurisdiction for wealth structuring, succession planning and long-term asset preservation. **Foundations across the Dubai International Financial Centre, the Abu Dhabi Global Market (the "ADGM") and the Ras Al Khaimah International Corporate Centre have become increasingly popular among entrepreneurial families** and private clients seeking to preserve wealth and create lasting family legacies.

The convergence of these developments presents a significant opportunity for the UAE. As private wealth continues to grow, so too does the capacity of families to support social, educational, cultural and charitable initiatives.

Philanthropy, however, is not a single concept. A family allocating part of its own wealth to causes aligned with its values presents a very different profile from an organisation raising funds from multiple donors or distributing grants on a large scale. Both have an important role to play, but each requires a different framework of governance, transparency and oversight.

“Philanthropy is not a single concept. A family allocating part of its own wealth to causes presents a very different profile from an organisation raising funds from multiple donors or distributing grants on a large scale.

Both have an important role to play, but each requires a different framework of governance, transparency and oversight.”

THE CASE FOR CLEARER FRAMEWORKS

As philanthropic activity grows, so too does the importance of ensuring that contributions are managed transparently and directed towards their intended purpose. Organisations involved in receiving, managing and distributing funds may present heightened risks relating to money laundering, terrorist financing, sanctions exposure, fraud and governance failures. The Financial Action Task Force ("**FATF**"), in particular, has encouraged jurisdictions globally to adopt **proportionate measures** to ensure transparency and accountability within the non-profit sector while preserving the ability of legitimate organisations to operate effectively.

> ***"Alongside existing wealth planning structures, the UAE is creating dedicated frameworks capable of supporting larger scale charitable and social initiatives in line with FATF recommendations."***

The **challenge for policymakers is to ensure philanthropy is supported through frameworks that inspire confidence, protect donors and beneficiaries and preserve the integrity of the sector.** Recent developments at both the UAE federal and in the ADGM signal a clear policy intent to create a more sophisticated philanthropic ecosystem that recognises the different forms philanthropy may take and provides appropriate avenues through which each can operate.

THE CONTINUING ROLE OF FOUNDATIONS – PRIVATE PHILANTHROPY AND FAMILY LEGACY

Foundations have become UAE's most successful private wealth planning tool. Originally adopted for succession planning, asset protection and family governance, they are increasingly being used by families to formalise values, support charitable initiatives and create lasting legacies. For many families, wealth preservation and philanthropy are no longer separate conversations.

On 24 April 2026, ADGM Foundations Regulations (Amendment No. 1) 2026 (the "**Amendment**") to the ADGM Foundations Regulations 2017 was published. The Amendment clarified that ADGM foundations should not operate as "Non-Profit Organisations"[1], reinforcing a distinction between private family philanthropy and organisations established primarily to undertake broader public benefit activities.

> ***"Foundations remain available for families seeking to embed philanthropy within their private wealth planning and legacy objectives."***

Foundations remain well suited to families wishing to deploy part of their own wealth in support of causes aligned with their values and legacy objectives and as part of a broader legacy strategy. In contrast, larger scale activities involving fundraising, public participation or the distribution of funds from multiple sources are increasingly being directed towards dedicated regulatory frameworks designed specifically for those purposes.

1. "Non-Profit Organisation" is defined under Part 7, section 47(1) of the ADGM Foundations Regulations 2017 as *"means a Legal Person or arrangement or organisation that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes or for other charitable purpose."*

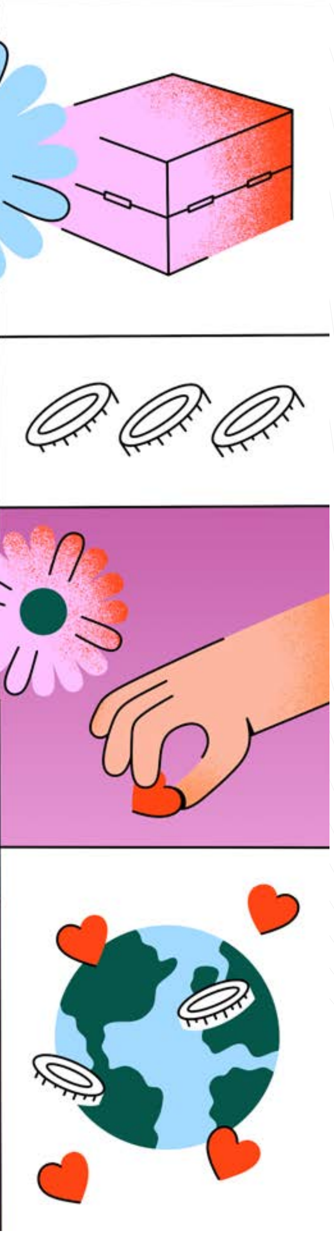
AVENUES FOR PUBLIC BENEFIT AT SCALE

Federal Decree Law No. 20 of 2025 (the "**Decree**") issued on 1 October 2025 amended the Federal Decree-Law No. 32 of 2021 on Commercial Companies and, *inter alia*, introduced a more formal onshore framework for entities established for charitable, social, educational, cultural, scientific and environmental purposes.

The framework incorporates governance features commonly associated with regulated philanthropic structures in other jurisdictions, chiefly the prohibition of profit distribution to private individuals, requirements to reinvest surpluses and asset lock principles ensuring the entity's assets continue to be used for charitable purposes. These features are intended to ensure that assets remain dedicated to public benefit purposes and are applied in a transparent and accountable manner.

> ***"New frameworks are emerging to support broader public benefit initiatives and collective philanthropy."***

While further implementation details are still expected, the Decree demonstrates an objective to create clear, transparent and credible avenues through which public benefit activities can be undertaken in the UAE. Alongside existing wealth planning structures, the UAE is creating dedicated frameworks capable of supporting larger scale charitable and social initiatives in line with FATF recommendations.



THE NEXT CHAPTER FOR PHILANTHROPY

The UAE's philanthropic landscape is entering a new phase of development.

Foundations remain available for families seeking to embed philanthropy within their wealth planning and legacy objectives. At the same time, new frameworks are emerging to support broader public benefit initiatives and collective philanthropy.

Families, founders and philanthropists now have access to a growing range of structures through which they can pursue social impact in a manner that aligns with their objectives, ambitions and scale of activity.

Taken together, these developments reflect a broader shift towards **clarity, credibility and choice**. Different forms of philanthropy serve different purposes and present different considerations. The UAE's evolving framework increasingly recognises this reality and seeks to support each through governance and oversight proportionate to its nature.

THE NEXT CHAPTER FOR PHILANTHROPY

The UAE's philanthropic landscape is entering a new phase of development.

Foundations remain available for families seeking to embed philanthropy within their wealth planning and legacy objectives. At the same time, new frameworks are emerging to support broader public benefit initiatives and collective philanthropy.

Families, founders and philanthropists now have access to a growing range of structures through which they can pursue social impact in a manner that aligns with their objectives, ambitions and scale of activity.

Taken together, these developments reflect a broader shift towards **clarity, credibility and choice**. Different forms of philanthropy serve different purposes and present different considerations. The UAE's evolving framework increasingly recognises this reality and seeks to support each through governance and oversight proportionate to its nature.

AUTHORS

Kath Zagatti
Lead Partner – Legacy & Family Office
zagatti@m-hq.com

Yann Mrazek
Managing Partner
mrazek@m-hq.com

Hermione Harrison
Partner & Head of Abu Dhabi Office
harrison@m-hq.com

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.