

# SINGLE FAMILY OFFICE

## GUIDELINES

### 1 Introduction

- These guidelines are intended to clarify information regarding the incorporation of a company under the Single Family Office [SFO] activity in accordance with Circular No. [12] - dated 30 September 2021 - pertaining to Rules and Regulations regarding Single Family Office & Multi Family Office activities within Dubai World Trade Centre Authority [DWTCA] Free Zone.
- DWTC SFO is a regular Free Zone Establishment [FZE] or Free Zone Company [FZCO] with a specific license to allow for:
  1. **Management of Professional Services** such as but not limited to wealth, assets, investment, succession, governance, financial and/or legal affairs of a Single Family; and
  2. **Provision of Administrative** [compliance, secretarial etc.] **and/or Concierge Services** - in so far as these Professional and Administrative Services are rendered strictly to the same Family only.
- In all instances the term 'Family' or 'Single Family' are used interchangeably, and shall include any family member[s], family business[es], family entity[ies], family trust[s] or foundation[s]<sup>1</sup>.
- DWTCA reserves sole and absolute discretionary rights to grant such license subject to review and due diligence of the application.

### 2 Terms and Conditions

#### 2.1 Policy

In order for a company to be established as a DWTC SFO, the following criteria apply:

- Must be set-up as an **independent parent entity** – not a Branch office;
- Must have an **office space** [physical presence] in one of DWTC developments;
- Proposed 'Entity Name' shall be reserved by DWTCA, and shall be subject to availability and approval. Post registration, **naming convention for a DWTC SFO** shall be 'Entity Name Family Office FZE' or 'Entity Name Family Office FZCO';
- Any and all Professional Services being undertaken by the entity for provision to the Family are required to be rendered by suitably **qualified and licensed/ certified parties/ professionals**; and
- SFO may choose to manage any/all [or similar] Professional and Administrative Services referenced in Scope of Services to the Family noting that the **locations of any Assets under Management** [AuM] may be global in so far as they are owned by the SFO company and/or any of the Family;

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<sup>1</sup> All nouns referenced in the singular context may also refer to plurality of purpose unless specifically referenced otherwise

- Family in the context of a 'Single Family' constitutes an individual or a group of individuals **all of whom are lineal descendants of a common ancestor**, as long as each descendant is able to legally prove lineage with the common ancestor regardless of his/her nationality; and
- For avoidance of doubt, '**Lineal Descendant**' shall include individual[s] that are: [1] direct blood line descendant; [2] the legal spouse/s [including those that may be widowed whether or not remarried thereafter, and their legal spouse – i.e. spouse of the spouse of the bloodline descendant noting that this third degree of separation is limited to the marriage being legally active at the time of consideration]; and [3] legal children – gender and age neutral [including those adopted as minors, legally adopted step or half children - adult or minor, and children of all adopted children].

## 2.2 Structure and Specific Restrictions

- **Entity Structure:** All shareholders of the SFO must be members of the Family where:
  1. **100% Shareholding of the SFO** must be held by Lineal Descendants of the Family; and
  2. Consequently, **100% Ultimate Beneficial Ownership [UBO]** must vest with the Family.
- **Ownership or Sale of Shares** - SFO is not permitted to sell shares to any third-party non-family member to assure that 100% shareholder structure and UBO requirements are retained within the Family – however, transfer of shares within the Family is permissible.
- From a control and governance perspective, to allow the Family the flexibility to manage the SFO Board with the desired level of professional independence, the mandatory minimum **Controlling Interest [CI]** required to be **held by the Family shall be 51%** where:
  1. SFO Board must be at least majority [51%] controlled by the Family; and
  2. No single non-family board member shall have greater CI than the largest individual Family shareholder [i.e. **Lineal Descendant must retain largest CI**].
- SFO may **employ non-family members** for any/all of the scope of Professional and Administrative Services, so long as any of these Services are rendered in strict compliance with the mandatory Policy considerations outlined herein.
- SFO may not have a **General Manager or Chief Executive** [defined as the highest decision-making executive in the operating entity] who is not a Family member.
- SFO may **act as a conduit** for Mainland and/or Offshore [geography agnostic - UAE or overseas] licensed structures such as Trusts operated by Trustees, or Foundations; and in such instances, can supervise and coordinate all such activities.
- Services **strictly not permitted** to be undertaken by an SFO, include any 'regulated' activities that require to be specifically professionally licensed, and are strictly governed by relevant UAE Authorities - e.g. Central Bank, Telecommunications Regulatory Authority, Ministry of Health etc. - noting that such services directly impact consumers outside of the Single Family.
- SFO is limited to providing **Services to, and/or Managing Assets or AuM of the Single Family**; Consequently, an SFO may strictly not provide directly or manage the provision of permissible services for other individuals or families whatsoever.

### 2.3 Compliance and Reporting Guidelines

Upon commencement of its operations, the SFO must assure DWTCa of compliance with all the aforementioned structure guidelines and scope restrictions including but not limited to:

- **Client:** Strict provision of permissible 'unregulated' services solely to the Single Family.
- **Client:** No material change in the total number of Family members being serviced/ served by the SFO, without written notification of such change being reported to DWTCa upon occurrence [within prescribed timelines] of such change.
- **Structure:** No material change in legal ownership structure [shareholding and/or UBO] of the SFO, without the written notification of such change to DWTCa upon occurrence [within prescribed timelines] of such change.
- **Scope:** No material change in Scope of Services undertaken by the SFO, without written notification of such amendments being reported to DWTCa prior to occurrence [as per prescribed timelines] of such change.
- **Post-Facto Notification - Timelines Prescribed** for aforementioned **Client or Structural Change[s]:**
  1. SFO is required to provide official Change Notification [CNote] with all supporting documents to DWTCa within a maximum of **30-calendar days upon occurrence** of the change – for acknowledgement and necessary amendments to the record as may be warranted;
  2. DWTCa official confirmation of receipt [COR] to the SFO to be expected within **2-working days** of receiving the CNote; and
  3. DWTCa responses with [i] a formal acknowledgment of the change; [ii] confirmation of requisite amendments to the record if needed; and/or [iii] a request for further documentation as needed to officiate the change – to be expected within **5-working days** following the COR.
- **Pre-Implementation Approval Requests - Timelines Prescribed** for aforementioned **Scope Change:**
  1. All Change Request Notifications [CRNote] must be received by DWTCa prior to the SFO undertaking/ implementing such change;
  2. Explicit written approval of DWTCa permitting such activity, and updating the license [if material enough to warrant such amendments] is required to be completed prior to undertaking the scope;
  3. DWTCa official COR to the SFO to be expected within **2-working days** of receiving the CRNote;
  4. DWTCa responses to incomplete an CRNote, seeking further documentation and/or providing status update on procedural needs to be expected within **5-working days** following the COR; and
  5. DWTCa formal process closure with the official 'Approval' or 'Denial' of CRNote to be expected within **2-calendar weeks** of receipt of all required documents [step 4 above].

### 3 Application Requirements

Phase 1: SFO Qualification Process – Submission via DWTC online portal

LICENSE QUALIFICATION – SUBMISSION REQUIREMENTS			
Original	Copy	Documents	Remarks
	☐	Proof of minimum AED 500,000/- in liquid assets equivalent or cash [retained on account for at least 12 consecutive months]	<ul style="list-style-type: none"> <li>Letter from a regulated financial institution confirming the same [Original]</li> <li>Bank Statement of Accounts [or equivalent]</li> </ul>
	☐	Proof of identity and family relationship [lineal descendance] of every shareholder of the SFO –either issued in the UAE by the relevant Authority, or if issued in a foreign jurisdiction, attested by the UAE Embassy or Ministry of Foreign Affairs – noting exceptions on attestation in special circumstances may be secured from/ approved by DWTC on a case by case basis	<p><b>ONE</b> of the following:</p> <ul style="list-style-type: none"> <li>Birth or Marriage Certificate [Attested/True Copy with sworn translation if not in English or Arabic]</li> <li>Family book, if applicable for relevant family members, and only if reflecting same family name, limited to a single generation [Attested/True Copy]</li> <li>Attested passport copies of family members, only where direct lineage is clearly evidenced [same family name] and limited to a single generation</li> <li>Sworn written affidavit [Original] from the family lawyer [Translated if not in English or Arabic; and Attested by the UAE Embassy or Ministry of Foreign Affairs if issued in a country other than the UAE], confirming that all family members being served by the SFO constitute a Single Family as defined herein</li> </ul>
	☐	SFO undertaking letter signed by Applicant[s]	<ul style="list-style-type: none"> <li>DWTC form to be completed</li> <li>Must include signatures of all Applicants</li> </ul>
	☐	SFO questionnaire filled and, signed by Applicant[s], with all required documents to be attached	<ul style="list-style-type: none"> <li>DWTC form to be completed</li> <li>Must include signatures of all proposed shareholders and board members</li> </ul>
	☐	Business plan signed by the Applicant[s]	<p>Must contain at minimum:</p> <ul style="list-style-type: none"> <li>Number of family members the SFO will provide assistance to</li> <li>Comprehensive overview of the family businesses, trusts, foundations, assets and AuM [and global coverage anticipated]</li> </ul>

LICENSE QUALIFICATION – SUBMISSION REQUIREMENTS			
Original	Copy	Documents	Remarks
			<ul style="list-style-type: none"> <li>Description of the services, and locations to be catered for, as envisaged at the time of application, to be provided by the SFO</li> </ul>
	□	Statement Declaration as to whether the SFO clients are Politically Exposed Persons [PEPs]	<ul style="list-style-type: none"> <li>DWTCA at its sole discretion may ask for any further documents related to PEPs</li> <li>PEPs Declaration is required for any new shareholders</li> </ul>

**Phase 2: SFO Incorporation Process** - Upon confirmation that the online application **is qualified for an SFO License**, the applicant will be notified to select the **type of entity for incorporation** and follow standard DWTCA process via the online portal, as applicable:

- Free Zone Company [FZCO], as per DWTC Authority FZCO Guide
- Free Zone Establishment [FZE], as per DWTC Authority FZE Guide

## 4 Output

Upon completion of all application requirements and subject to DWTCA approval, the SFO shall:

- Be registered in the Company Register of DWTCA;
- Receive a Certificate of Incorporation;
- Have a Memorandum & Articles of Association;
- Receive an E-License, reflecting the name and SFO activity; and
- Be required to secure an office space in DWTC leased by the SFO.

## 5 Further Information

- Rules and Regulations of DWTCA: [www.dwtc.com/en/free-zone](http://www.dwtc.com/en/free-zone)
- Contact DWTCA Free Zone: +971 4 308 6775/ 6368 or [info@dwtcauthority.com](mailto:info@dwtcauthority.com)