

# Future-proof your wealth – new DIFC Foundation law amendments

Safeguarding your wealth and ensuring its smooth transfer to future generations requires a forward-thinking approach. The recent amendments to the DIFC Foundations Laws 2018 (the 'Law') further enhances its adaptable framework for wealth preservation and succession planning.



## Confidentiality & privacy

- Details of founders, councils, guardians, and beneficiaries remain entirely confidential.
- Foundations are not obligated to disclose any information to beneficiaries unless specified in their governing documents.



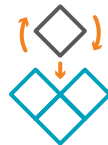
## Tailored foundations

- Establish DIFC foundations for charitable purposes or specific needs, such as orphan holding structures for business transactions.



## Streamlined dispute resolution

- Founders can elect arbitration for any administrative disputes concerning the foundation through the governing documents.



## Unmatched flexibility

- DIFC foundations offer unique re-domiciliation capabilities. They can be seamlessly transferred in or out of the jurisdiction, catering to individuals with international assets.
- These foundations can be divided or merged to suit changing circumstances. Additionally, conversions between DIFC companies and DIFC foundations are permitted.



## Conditional beneficiaries

- DIFC foundations can establish conditions for beneficiaries to receive benefits. This allows for stipulations like specific nationalities or educational attainment.



## Targeted asset allocation

- Allocate specific assets within the foundation to beneficiaries and issue corresponding depository receipts outlining the terms.



### UAE corporate tax

- Subject to conditions, DIFC foundations can potentially be treated as unincorporated partnerships or join tax groups (holding UAE businesses) for UAE corporate tax purposes.



### Owning Dubai real estate

- DIFC foundations can hold Dubai real estate thanks to an MoU with the Dubai Land Department. Gifting property to a foundation incurs a significantly lower transfer fee (0.125%) compared to regular sales (4%). Notably, foreign trusts and foundations are excluded from holding Dubai real estate.



### Digital asset safekeeping

- The definition of "property" within a DIFC foundation encompasses "Digital Assets" as defined by DIFC Law No.2 of 2024, allowing crypto assets to be held.



### Unchallenged authority

- DIFC Laws and Courts have ultimate authority over foreign judgments regarding DIFC foundations. Inconsistent foreign judgments, including those related to inheritance rights, are not recognised, or enforced.



### Enhanced asset protection

- Legal challenges to property transfers and asset entitlements within the foundation are limited to a 3-year window. To invalidate a transfer, fraud causing insolvency must be proven. Additionally, creditor claims are restricted to the founder's initial interest in the transferred property.



### Removal of coerced officers

- The Law mandates the immediate removal of any foundation officer acting under foreign court duress regarding foundation administration.



### Founder's retained control

- Founders can reserve significant powers, including the authority to modify the foundation's purpose and even terminate it.



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