

# FAMILY OFFICE

Maximizing impact through  
efficient management of  
family affairs







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# 01

## SETTING UP A FAMILY OFFICE



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# 1.1

## WHAT IS A FAMILY OFFICE



# What is a Family Office?

**It is often remarked that each Family Office is as unique as the family it serves. A Family Office is a dynamic instrument, incorporating various roles – from serving as an administrative assistant for some families to providing investment advice, legal counsel, or education for others. Its definition is expansive, adapting itself to the specific needs of the family it serves.**



A Family Office refers to a group of professionals, whether distinct from a family business or not, that offers specialized personal and/or professional assistance to family members. A Family Office is a tailored support system that oversees an array of financial, personal, and business affairs. Family Offices offer diverse services, ranging from investment strategies, tax planning, administrative matters and philanthropy to family education playing a pivotal role in the development of the next generation.

Bloomberg reports that globally, around 10,000 Family Offices exist, with half emerging since 2005. These entities, representing diverse business families, play a vital role in navigating the complex landscape of family affairs, demonstrating their indispensable contribution to the realm of wealth management and legacy preservation.

Now, let's move on to the common trigger events for family businesses to establish their Family Offices and the scenarios in which their establishment is considered:

## Liquidity Windfall



A sudden surge of liquid wealth resulting from a business sale, whether partial or complete, prompts the realization that a dedicated entity is essential. This entity strategically deploys family capital and provides a consolidated view of personal wealth.

## Wealth Complexity



Successful businesses often lead to a complexity of family wealth involving several different types of active and passive investments. The intricacies necessitate a centralized hub for information, professional advice, and the implementation of tax-efficient structures.

## Generational Transition



As the first generation retires, their shift away from active business involvement makes the separation of personal and business financial matters necessary. This pivotal moment prompts the establishment of a Family Office to manage these distinct aspects effectively.

## Global Expansion



Families engaged in international business endeavors may establish a Family Office to navigate the complexities of cross-border operations, ensuring compliance, and capitalizing on global opportunities.

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# 1.2

## BENEFITS OF ESTABLISHING A FAMILY OFFICE



# General Benefits of Establishing a Family Office

A Family Office serves as an essential component of family business governance bodies, seamlessly integrating financial expertise, governance, and intergenerational planning. Depicted below are key benefits that a Family Office can offer to family businesses:

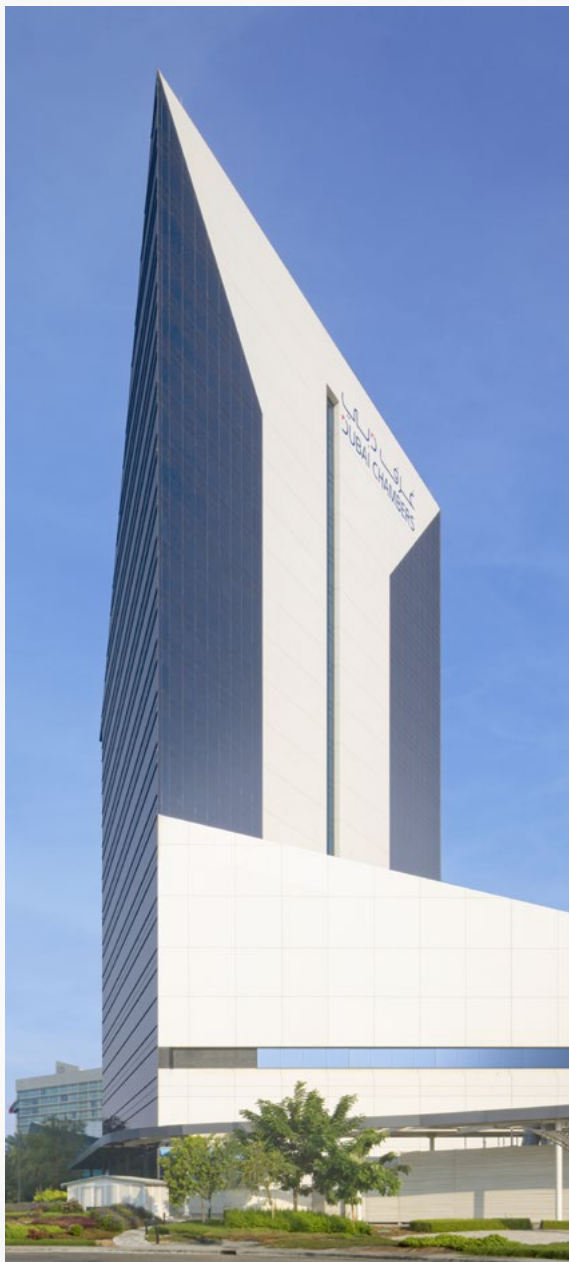
➤ **Holistic Wealth Management:** Family Office provide a institutionalized approach to managing financial, personal, and business matters.

➤ **Confidentiality:** A Family Office provides a framework for handling family affairs with a high degree of confidentiality. Personal information can be limited to trusted employees or specific external service providers on behalf of the family.

➤ **Vessel for promoting Family Legacy:** Family Office serves as an avenue to uphold and advance the family's legacy, vision, and values.

➤ **Tax Efficiency:** Family Offices employ structures and plans to minimize tax liabilities effectively.

➤ **Next Generation Development:** Family Offices play a pivotal role in educating and preparing the next generation for responsible wealth management.



Regionally, the establishment of Family Offices within the UAE presents distinctive advantages that stem from the country's dynamic economic landscape, strategic geographical location, and progressive regulatory environment. The UAE's strategic position as a global business hub, coupled with its robust infrastructure and pro-business policies, provides a conducive setting for Family Offices to thrive.





# Key Benefits of Establishing a Family Office in Dubai

Some pertinent benefits are depicted below:



## Robust Financial Landscape

Dubai's flourishing financial ecosystem provides access to diverse investment opportunities, including venture capital, private equity, real estate, and hedge funds.



## Strategic Hub for Family Offices

Located strategically, Dubai serves as a gateway to numerous investment prospects. Moreover, the city's world-class transportation infrastructure ensures swift and efficient connectivity to other parts of the world.



## Tax Regime for Family Offices in Dubai

Dubai is a tax efficient hub for wealth management, positioning itself as an appealing destination for high-net-worth individuals (HNWIs) to establish Family Offices. The city boasts no personal income tax, withholding tax, or capital gains tax. Furthermore, there are no estate or inheritance taxes.



## Quality of Life

Dubai's high standard of living makes it an enticing choice for Family Offices contemplating relocation or establishing a regional office. The city features modern infrastructure, top-tier healthcare facilities, and a rich array of cultural activities, creating an ideal environment for high net worth families.



## Cultural harmony

A melting pot of cultures, the UAE fosters an environment conducive for international families while maintaining its rich heritage

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# 1.3

## AREAS TO CONSIDER PRIOR TO ESTABLISHING A FAMILY OFFICE



# Areas to Consider Prior to Establishing a Family Office

The failure of Family Offices is frequently attributed to a lack of clarity among family members regarding the office's role, scope, and the accountability of all involved parties. Similar to a well-managed business, the more precisely the goals and lines of accountability are articulated, the more favorable the outcomes are likely to be. Hence, it is important to address and clarify key questions prior to commencing the process of establishing a Family Office.

## Key Areas to Consider Prior to Establishing a Family Office

➤ What are the primary objectives and goals for establishing the Family Office?

➤ What is the family's investment philosophy and risk tolerance?

➤ What is the scope of services the Family Office will provide?

➤ What role will the Family Office play in managing philanthropic initiatives?

➤ Is the family able to afford the operational costs of establishing a Family Office?

➤ How is succession planning and next-generation development being addressed?

➤ Does the family have the required skills to run a Family Office or will external expertise be hired?

➤ What measures are being established for maintaining confidentiality and privacy of family affairs?

➤ What key functions should the Family Office outsource?

➤ What clear channels are established for regular updates and reporting?

➤ What legal structure and type of Family Office will the family opt for?

➤ Has an exit strategy been considered in case the family decides to dissolve or restructure the Family Office?

➤ How is the governance structure defined, including decision-making processes, control systems and reporting mechanisms?

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# 02

## CHOOSING YOUR FAMILY OFFICE SERVICES





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# 2.1

## KEY SERVICES OFFERED BY A FAMILY OFFICE

# Key Services Offered by a Family Office

One of the initial decisions in establishing a Family Office is defining the scope of services it will offer. The family must evaluate its priorities and select a model and services that align with its objectives. It is crucial to recognize that the range of services may vary based on the Family Office's maturity. Family Offices can be categorized into three essential stages of development:

<b>Basic</b>	This marks the early developmental phase, characterized by the establishment of foundational structures and addressing immediate needs.
<b>Intermediate</b>	Family Offices in this stage exhibit structured operations, offer specialized services, and employ refined wealth management strategies.
<b>Advanced</b>	Family Offices at this stage demonstrate sophistication, boast a well-established governance structure, and adopt a strategic approach to wealth management.

<b>Wealth Management</b>	Real Estate Management	Asset Manager Selection	Asset Allocation	Portfolio Management	Estate and Wealth Transfer
<b>Tax Planning</b>	Tax Compliance Services*	Tax Planning Services*			
<b>Finance</b>	Bookkeeping Services	Liquidity Management	Bill Payments*	Financial Statement Preparation and Reporting	
<b>Risk Management</b>	Cyber Security*	Fraud Prevention and Detection	Insurance*	Security of Family Members*	
<b>Legal Support</b>	Contract Review, Document Preparation*	Regulatory Compliance and Litigation Oversight*	Creation and Management of Legal Entities*		
<b>Operational Management</b>	Concierge Services*	Travel Arrangement*	Talent Management / HR*	Public Relations*	Social Media Support*
<b>Philanthropy</b>	Establishing a Philanthropic Mission	Conducting Philanthropic Activities* (Including Fundraising)			
<b>Family and Governance</b>	Next Gen and Family Training Programs*	Facilitation of Succession Planning*	Document Management		

Basic  
 Intermediate  
 Advanced

\* Service may be outsourced

Family offices at an intermediate level of maturity would encompass services categorized as 'basic' and 'intermediate,' while those at an advanced level of maturity would encompass services categorized as 'basic,' 'intermediate,' and 'advanced.'

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# 2.2

## DETERMINING WHAT SERVICES TO OUTSOURCE



# Determining What Services to Outsource

Another critical consideration is determining which services to manage in-house and which to outsource. Families, often inclined to incorporate a diverse range of services into their family office, may reassess and potentially outsource specific services upon conducting a thorough evaluation of the associated costs. Striking the right balance and periodically reassessing services performed by the Family Office's internal team and those outsourced to qualified providers is vital for long-term success.

## Key considerations that influence the outsourcing decision

**Importance placed on confidentiality and privacy of family business affairs.**

**Size and complexity of the family and the number of family members who will use the services of the Family Office.**

**Complexity of the services required by the Family Office.**

**Availability and costs associated with in house skilled personnel.**

**Contemplating whether the family office should function as a cost center or a profit center.**

## Types of Services that can be outsourced

**Services where heavy diseconomies of scale are present. i.e. where the cost of work increases in proportion to the volume such as bill payment, concierge services etc.**

**Where new technology solutions are needed, as in the case of adopting cyber security options.**

**Where specialized skills and competency in a specific area is required, such as in the case of tax planning, family member security etc.**

**Where sound, professionalized and cost-effective alternatives exist, such as in the case of financial reporting systems.**



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# 03

## TYPES OF FAMILY OFFICES





# Introduction to the Types of Family Offices



After prioritizing the services and defining the scope of the Family Office, the subsequent crucial step involves selecting the most suitable Family Office type that aligns with the agreed-upon scope and complexity. While various Family Office models exist, there is no universally applicable model that fits every Family Office. Although each Family Office is recognized as unique, they often share common operational practices and service delivery models. As a result, families can adopt specific archetypes of Family Offices. Depicted below is a brief description of each Family Office type:

## Embedded Family Office



A Family Office model integrated within the family business with services usually performed by the family business staff to cater exclusively to the needs of the family.

## Virtual Family Office



A contemporary Family Office model, whether single or multi-family, characterized by a collaborative setup where independent professional advisors work virtually as a team.

## Multi Family Office



An advisory firm or an external single Family Office outside the family business that provides wealth management and financial services to multiple high-net-worth families, offering shared resources and cost efficiencies.

## Single Family Office



A separate entity established outside the family business to manage the comprehensive financial and personal affairs of a single family.

Refer to pages 20 – 23 for further details on each of these Family Office types.

# Details on Each Type of Family Office

## 1. Embedded Family Office



### Characteristics of families who choose to adopt an EFO

- Have trusted and skilled staff from the core operating business.
- Are typically budget-conscious and prioritize cost effectiveness.
- Are less complex with fewer families involved in the business.
- Posses straightforward investment portfolios.



### Illustrative services

- Bookkeeping
- Wealth Management
- Concierge Services



### Key considerations when establishing an EFO

- Assess the availability of skilled professionals within the core business or bring in external talent if needed to ensure that the embedded Family Office has the necessary expertise to meet the family's requirements.
- Ensure avoidance of potential conflicts of interest and establish effective operational integration between the Embedded Family Office and the core family business.
- Consider the long-term viability of the embedded Family Office model, evaluating its scalability and adaptability to accommodate changes in family dynamics, business growth, and evolving financial needs over time.



### Key advantages of establishing and maintaining an EFO

- Offers a cost-effective approach, providing financial benefits through operational integration.
- Serves as an good initial step for families considering Family Office services.



### Key disadvantages of establishing and maintaining an EFO

- Employees from the family business may lack the requisite skills and time to effectively manage wealth.
- Employees may face conflicting responsibilities, balancing duties on both the business and private sides.
- Potential threat of compromising the family's privacy.





# Details on Each Type of Family Office

## 2. Virtual Family Office



### Characteristics of families who choose to adopt an VFO

- Have moderate complexity in both family business dynamics and family business affairs.
- Require highly tailored services and solutions to address unique family needs.
- Are typically budget-conscious and prioritize cost effectiveness.
- Located in different countries / jurisdictions.



### Illustrative services

- Wealth Management
- Tax Planning
- Philanthropy
- Finance
- Legal Support
- Concierge Services
- Risk Management



### Key advantages of establishing and maintaining a VFO

- Access a diverse range of services without the overhead costs of running a Single Family Office.
- Flexibility with services tailored to the unique needs of each family, avoiding a one-size-fits-all approach.
- Use of technology streamlines the organization of financial data, and fosters faster communication and collaboration.



### Key disadvantages of establishing and maintaining a VFO

- Reliance on technology may restrict personal interactions among family members and service providers.
- Dependence on online platforms for storing and sharing sensitive financial information raises privacy and security concerns.
- Planning and scheduling meetings become challenging when family members are in different locations.



# Details on Each Type of Family Office

## 3. Multi Family Office (MFO)



### Characteristics of families who choose to adopt an MFO

- Have moderate complexity in both family business dynamics and family business business affairs.
- Are typically budget-conscious and prioritize cost effectiveness.
- Lack an in-house pool of specialized talent, leading to a preference for outsourcing tasks to external experts.



### Illustrative services

- Wealth Management
- Tax Planning
- Risk Management
- Financial and legal counsel
- Philanthropy
- Lifestyle Management and Concierge Services
- Next Generation and Family Training Programs
- Succession Planning



### Key considerations when looking for a MFO service provider

- Clarify the extent and range of services provided by the advisory firm.
- Determine whether day-to-day interactions will be with C-suite professionals or junior staff members.
- Assess the advisory firm's approach to client confidentiality and privacy.
- Ascertain whether any alliances of the advisory firm may lead to a potential conflict of interest.
- Understand how the advisory firm distributes and communicates information on the progress made.



### Key advantages of establishing and maintaining a MFO

- Operational costs and resources spread across various clients, resulting in potential cost efficiencies for the family.
- Streamlined and efficient provision of services.
- Multi Family Offices can attract and retain skilled professionals. Access to a range of specialists enhances the overall quality of services provided.



### Key disadvantages of establishing and maintaining a MFO

- Services are more institutionalized leading to lack of customization for families.
- There could be a high client / advisor load leading to lack of timely responsiveness.



# Details on Each Type of Family Office

## 4. Single Family Office (SFO)

### Characteristics of families who choose to adopt a SFO

- Place a high value on privacy and confidentiality.
- Have a strong desire for control over the family's financial and non-financial affairs, seeking a structure that fully aligns with their vision and values.
- Require highly tailored services and solutions to address unique family needs.
- Posses the financial resources to establish and maintain in-house services.
- Experience a rising exposure to non-investment risks, including concerns related to privacy, legal matters, and other complex family-specific issues.
- Have complex family dynamics and family business structures.
- Have access to a pool of specialized professionals and the means to incentivize and retain talent.

### Illustrative services

- Wealth Management
- Philanthropy
- Tax Planning
- Risk Management
- Lifestyle Management and Concierge Services
- Next Generation and Family Training Programs
- Succession Planning

### Key advantages of establishing and maintaining a SFO

- The family's needs, goals, and objectives take precedence.
- Ensures a high level of privacy and anonymity for the family.
- No competition for attention or space with other Family Offices.
- A conducive vehicle for preserving and promoting the family's legacy.

### Key disadvantages of establishing and maintaining a SFO

- The maintenance costs are notably high, encompassing staffing, technology, and operational expenses.
- Attracting talent is challenging due to the scarcity of professionals experienced in this specialized field.
- May lead to a potential lack of diverse perspectives and skills, limiting adaptability to evolving challenges.

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# 04

## ELEMENTS OF THE FAMILY OFFICE GOVERNANCE STRUCTURE





# Elements of the Family Office Governance Structure



Creating and managing a Family Office demands meticulous thought and strategic planning. The goal is to effectively oversee and safeguard a family's wealth, ensuring its sustained growth. The success of a Family Office hinges on the implementation of sound governance and operational practices and center around the following key themes:

**01**

**Determining the mission and vision of the Family Office**

**02**

**Establishment of an oversight / governing body**

**03**

**Developing a robust talent pool**

**04**

**Establishing a comprehensive list of policies and procedures**





# Elements of the Family Office Governance Structure

We will now explore each key themes in detail:

## 01 Determining the mission and vision of the Family Office



### Definition

Defining the mission and vision of a Family Office is the foundational step in outlining its purpose and long-term objectives. The vision statement addresses the "why," providing the overarching purpose, while the mission statement focuses on the "how," outlining the specific actions to achieve that vision. Therefore, it's advisable to begin with a vision statement as it sets the broader context.



### General Practices

- A commonly adopted **practice involves engaging external experts who conduct individual interviews** with each family member as well as group interviews. Following this inclusive process, a collaborative effort ensues within the entire family to craft a comprehensive vision and mission statement that reflects shared values and aspirations.
- Sample Vision Statement: Our vision is to inspire a legacy that transcends generations—a united family driven by shared values and a commitment to excellence. Envisioning a future where our wealth acts as a catalyst for positive change, we aim to make a lasting impact through philanthropy. We see a harmonious and secure tomorrow for every family member, marked by prosperity, unity, and a profound sense of social responsibility.
- Sample Mission Statement: Guided by our vision, our mission is to safeguard and augment our wealth, champion leadership in philanthropy, secure a stable future for present and future generations, and instill in successive generations a deep understanding of their responsibilities tied to inheritance. We are committed to translating these aspirations into actionable strategies, ensuring that our family's values endure and flourish for years to come.



### Next Steps

- Schedule a family meeting to discuss and define the mission and vision.
- Seek external facilitators or consultants for strategic guidance.
- Draft a concise mission statement and vision statement for the Family Office.

# Elements of the Family Office Governance Structure

## 02

## Establishment of an oversight / governing body



### Definition

The family governing body serves as a catalyst in steering the Family Office towards success. Integral to the preservation of the family enterprise, it provides the necessary structure for decision-making and strategy execution.



### General Practices

- Optimal Family Office governing bodies often consist of majority family members and a few external experts (the ratio is generally 4:1).
- Governing bodies may also further delegate authorities to sub committees such as an Investment Committee (Responsibilities include overseeing investment decisions and managing wealth, ensuring strategic alignment with the family's financial goals.), Risk Committee (Manages the family's risk appetite, fostering a culture of risk awareness), Governance Committee (Facilitates family meetings, oversees the development and maintenance of governance documents such as the family constitution) etc.
- Non-family members contribute expertise or act as impartial advocates for executing the family's vision.



### Next Steps

- Identify potential governing body members within and outside the family.
- Define the governing body's structure, determining the optimal size and composition.
- Outline key roles, responsibilities, and decision-making authorities for effective governance.





# Elements of the Family Office Governance Structure

03

## Developing a robust talent pool



### Definition

Building a skilled and dedicated team is crucial for the effective functioning of a Family Office especially in the case of a single Family Office. A robust talent pool ensures that the Family Office can navigate complexities and execute its mission efficiently.



### General Practices

- Depending on the Family Office's size, complexity, and the range of services it offers, the talent pool may encompass roles such as CEO, CFO, CIO, COO, Compliance and Legal Support, Investment/Portfolio Manager, Operations Manager, and Personal/Executive Assistants.
- The ultimate beneficial owners of the Family Office may choose to actively participate in the Governing Board or hold key senior management positions within the organization.



### Next Steps

- Ascertain the nature, size, and budgets of your Family Office.
- Identify critical positions that require staffing within the Family Office structure.
- Clearly define job descriptions for each identified position.
- Consider leveraging the expertise of a recruitment agency or headhunters to fill these positions efficiently.





# Elements of the Family Office Governance Structure

## 04

### Establishing a comprehensive list of policies and procedures



#### Definition

Creating a structured framework of policies and procedures is essential for maintaining consistency, compliance, and transparency within the Family Office. This framework sets the guidelines for decision-making and operational processes.



#### General Practices

Typically, depending upon the specific mandate of the Family Office, the formulation of various policies and procedures is imperative. These may include:

- The Investment Policy delineates processes pertaining to the investment mandate and the Family's preferences.
- the Inheritance Distribution and Ownership Succession Policy establishes the guidelines on how and when ownership can be transferred to eligible family members
- A family constitution that explicitly outlines the mission and vision of the Family Office.
- Charters/Terms of References, outlining the roles and responsibilities of oversight and Governing Bodies within the Family Office.
- Family Office Structure documentation.
- A delegation of authority, specifying responsibilities and decision-making powers.
- A Confidentiality Policy, ensuring the secure handling and protection of sensitive information within the Family Office.



#### Next Steps

- Identify key areas requiring policies (e.g., investment, governance, confidentiality).
- Decide whether you prefer to create the policies internally or engage external consultants for their development.
- Develop a policy review schedule to keep documentation current.
- Establish a communication plan to educate all stakeholders on policies.



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# 05

## ESTABLISHING APPROPRIATE PHILANTHROPIC INITIATIVES WITHIN A FAMILY OFFICE





# Establishing appropriate philanthropic initiatives within a Family Office

Family Offices can often serve as vessels to furthering the philanthropic agenda of the Family as a whole. Incorporating philanthropy within a Family Office involves establishing a purpose aligned with the family's beliefs, objectives, and resources. This often requires a thoughtful conversation across generations to integrate each family member's values and goals. By laying the groundwork for a purposeful and impactful philanthropic strategy, Family Offices can contribute meaningfully to societal well-being while aligning with their unique family identity. Depicted below are key steps that can be taken to ensure appropriate establishment, execution and monitoring of philanthropic initiatives.

## Step 1 | Define Philanthropic Vision and Goals

- Families may begin by determining the overarching vision and goals for philanthropy within the Family Office. This involves clarifying the specific areas of focus, such as education, healthcare, or environmental sustainability.
- Define key governance documents and policy statements to guide philanthropic initiatives. These may include a philanthropic mission statement, guidelines for grantmaking, and procedures for monitoring impact etc.

## Step 2 | Identify Target Areas and Issues

- Once the vision is established, pinpoint the specific areas and issues the family wishes to address.
- While the aspiration to address global poverty is commendable, targeted contributions to specific initiatives, such as supporting a vocational training program for disadvantaged youth in the community or partnering with a local environmental conservation project, can yield more tangible and immediate impacts.

## Step 3 | Determine Philanthropic Vehicles

- Choose the appropriate philanthropic vehicles based on the family's goals and resources. These may include Donor Advised Funds, Private Foundations, Direct Giving etc.
- Families may also consider the concept of a Family Waqf, a charitable endowment under Islamic law. This unique vehicle allows families to create a perpetual charitable fund, aligning with Islamic principles and contributing to community welfare.

## Step 4 | Consistently Monitor Impact

- Regularly monitor and assess philanthropic initiatives to ensure they align with the family's goals and make a positive impact.
- This step involves tracking financial contributions, evaluating the effectiveness of grants, and adapting strategies based on evolving circumstances.

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# 06

## REGULATORY FRAMEWORK: DIFC, DWTC AND DMCC







## Regulatory Framework: DIFC, DWTC and DMCC

Dubai offers an array of options for families seeking to structure their family business ownership and manage private wealth. Families have the flexibility to establish Family Offices within distinct legal and regulatory frameworks, such as the DIFC, DWTC, and DMCC. Depicted below is a breakdown of each regulatory framework.

Regulatory Framework			
Features	DIFC	DWTC	DMCC
<b>Definition</b>	The Dubai International Financial Centre (DIFC) recently introduced Family Office arrangements regulations in 2023 which aims to provide a flexible and supportive framework for families to establish and operate family arrangement in DIFC.	Dubai World Trade Centre (DWTC) introduced (2) new licenses activities for Family Offices, which can now assist families with wealth management, legal matters, and more.	Dubai Multi Commodities Centre (DMCC) offers a special license for SFOs, which allows family businesses to establish a dedicated entity in the DMCC free zone to manage services of a single family in a confidential, efficient, and professional manner.
<b>Applicable Law</b>	DIFC Family Arrangement Regulations 2023.	Single Family Office and Multi Family Office Rules and Regulations 2021	DMCC Guidelines for Single Family Office License
<b>Investment Size</b>	<b>Minimum Net Asset Requirement:</b> USD 50,000,000.	<b>SFO:</b> Proof of a minimum of AED 500,000/liquid assets (on account for 12 months)	<b>Minimum investible/liquid assets:</b> USD 1 million.
<b>Licensing Cost</b>	USD 12,000 for Family Office License.	<ul style="list-style-type: none"> <li>Conventional SFO : AED 20,000 / Year 2: 20,000</li> <li>Executive SFO: AED 20,000 / Year 2: 20,000</li> <li>Conventional MFO AED 30,000 / Year 2: 30,000</li> <li>Executive MFO: AED 20,000/ Year 2: 20,000</li> </ul>	AED 20,285 for Family Office License.





# Regulatory Framework: DIFC, DWTC and DMCC

Regulatory Framework			
Features	DIFC	DWTC	DMCC
<b>Ownership Structure</b>	A Family Office shall only provide Family Office Services in its own right or as a trustee of a DIFC Trust.	<b>SFO:</b> <ul style="list-style-type: none"><li>100% shareholding must be held by Lineal Descendants of the Family.</li><li>100% Ultimate Beneficial Ownership must vest with the family.</li></ul> <b>MFO:</b> <ul style="list-style-type: none"><li>Shareholding, UBO, Board-membership, Operating Governance and Compliance Requirements.</li><li>Both may act as a conduit for Mainland and/or offshore licensed structures such as Trusts or Foundations.</li></ul>	<ul style="list-style-type: none"><li>Can be owned by the individual family member or by a corporate entity.</li><li>SFO must be owned 100% by the same family.</li></ul>
<b>Reporting</b>	Annually, the Family Office must confirm: <ul style="list-style-type: none"><li>Total family members served with identification details.</li><li>Details of provided Family Office services.</li><li>Continuous adherence to the minimum net asset requirement.</li><li>Maintenance of records for transaction funds and services during the reporting period</li></ul>	Notifying DWTC on changes in total number of family members, legal ownership structure and scope of services.	Reporting to DMCC of any material change in the legal and beneficial ownership, change in total number of family members and services provided.



# Regulatory Framework: DIFC, DWTC and DMCC

Regulatory Framework			
Features	DIFC	DWTC	DMCC
<b>Application Requirement</b>	<ul style="list-style-type: none"> <li>• Ancestry and family details.</li> <li>• Source of family wealth.</li> <li>• Regulation-compliant Family Office control.</li> <li>• Ultimate beneficial owner details.</li> <li>• List of family entities, structures, and businesses.</li> <li>• Politically exposed family members.</li> <li>• Family Office services</li> <li>• Minimum net asset requirement.</li> <li>• Corporate Service</li> <li>• Confirmation Letter including evidence of family members, net asset confirmation, due diligence reports etc.</li> </ul>	<p><b>SFO:</b></p> <ul style="list-style-type: none"> <li>• Must be a new company, not a branch office.</li> <li>• Requires an office space within DWTC.</li> <li>• Entity name must be DWTCA-approved with specific formatting.</li> <li>• Services must be provided by qualified, licensed professionals.</li> <li>• SFO can manage worldwide assets owned by the company or family members.</li> <li>• "Family" includes lineal descendants of a common ancestor, with legal proof.</li> </ul> <p><b>MFO:</b></p> <ul style="list-style-type: none"> <li>• Must be a new company, not a branch office.</li> <li>• Requires an office space within DWTC.</li> <li>• Entity name must be DWTCA-approved with specific formatting.</li> <li>• All services must be provided by qualified, licensed professionals.</li> <li>• MFO can manage assets globally for its Client Families.</li> </ul>	<p><b>Online application requires:</b></p> <ul style="list-style-type: none"> <li>• Signed business plan detailing family members, businesses, trusts, assets, and services.</li> <li>• Proof of a minimum USD 1 million investible / liquid assets with a letter from a regulated financial institution or equivalent bank statement.</li> <li>• Attested, translated birth and marriage certificates, original letter from family lawyer, and attested passport copies for single-generation families with clear names.</li> </ul>

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# 07

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