



DIFC and international funds: 20 years of partnership

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In the 20 years since its founding, the Dubai International Financial Centre (DIFC) has experienced dramatic growth as a major international business centre.

A material, and growing, part of this success has been the DIFC's attractiveness to the hedge fund and broader asset management industry, with 2023 seeing 125% year-over-year growth in hedge fund managers establishing a presence in the DIFC.

Dubai now provides a regional home to global and regional asset management groups across asset classes and strategies and including such international names as Alliance Bernstein, Hayfin and Point72.

Dubai has also proven itself an attractive location for international portfolio managers, with multi-manager / multi-strategy firms in particular looking to establish a presence in the Dubai International Financial Centre as an option for their talent.

Ogier's Dubai office

Ogier made the decision to expand and build on our existing regional expertise by opening a full-service office in the DIFC in November 2023.

Ogier's office provides on the ground legal advice in respect of Cayman and BVI laws in both transactional, fund establishment and contentious matters as well as leveraging our wider group expertise in Guernsey, Jersey, Irish and Luxembourg laws.

Ogier's corporate and fiduciary services business and regulatory compliance teams add to the regional offering with expertise in corporate establishment and formation for both regional (DIFC and Abu Dhabi Global Market (ADGM)) companies as well as entities formed in other jurisdictions covered by the group.

Ogier Regulatory Consulting supports our asset manager clients in obtaining regulatory approvals in the DIFC and ADGM as well as providing outsourced compliance, money laundering reporting officers and risk services.

Asset management in the DIFC

Asset managers located in the DIFC, and broader region, continue to look to long standing fund domicile jurisdictions, most notably the Cayman Islands, BVI and Luxembourg, to establish fund vehicles. For many firms this provides an internationally recognised fund product which can be operated and managed by a DIFC domiciled, Dubai Financial Services Authority (DFSA) regulated, investment manager.

Fund vehicles established in these jurisdictions can also be combined, through master-feeder or parallel fund arrangements, with vehicles in additional domiciles (for example DIFC or ADGM) where specific investor groups require. A range of fund entity structures are available in these jurisdictions which can be tailored to meet commercial requirements, of particular note in the Gulf Cooperation Council (GCC) over recent years has been the popularity of segregated portfolio companies, a "cell" structure enabling multiple, separate, fund strategies to be operated from a single legal entity. International structures have also proven popular with family office groups and closely aligned investor groups, with the Jersey Private Fund being notably popular.

How Ogier can help clients in the Middle East

As a leading global offshore legal and professional services firm, Ogier regularly acts alongside local and international legal counsel for some of the largest asset management and other financial firms based in the DIFC and wider GCC.

Our ability to provide advice and expertise across the major international fund domicile jurisdictions enables us to counsel fund management groups on the differences between these options, and to provide a single point of contact for more complex structures touching on multiple jurisdictions.

We advise clients and their advisors in the Middle East on British Virgin Islands, Cayman Islands, Guernsey, Irish, Jersey and Luxembourg law with legal services covering banking and finance, including Islamic and fund finance, corporate and investment funds, contentious and non-contentious private wealth, and dispute resolution services.

Ogier's DIFC based corporate services team specialise in the incorporation and establishment of both regulated and unregulated DIFC and ADGM entities with our regulatory consulting team providing outsourced compliance services to entities regulated in these jurisdictions. Corporate, fiduciary, and regulatory consulting services are also provided in relation to other jurisdictions across the Ogier group.

A version of this article first appeared in the Alternative Investor in September 2024.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

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