



Fund Managers guide to the UAE

The United Arab Emirates (UAE) is rapidly becoming a world-leading destination for fund managers, offering access to the wealth of the Middle East, Africa and South Asia (MEASA) region. The UAE presents significant opportunities for investment management and capital raising activities, with an advanced financial infrastructure and a business-friendly environment.

UAE overview

The UAE is positioned as a gateway between the East and West, offering a connection to emerging markets. Its commitment to becoming a knowledge-based economy, coupled with a stable political climate and no foreign exchange controls or personal income tax, makes it an attractive destination for global businesses.

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Key financial hubs



Dubai International Financial Centre (DIFC)

The DIFC is a leading financial free zone, adopting English common law to create a familiar environment for international finance. It accommodates a large community of financial institutions, with a robust legal framework and a significant number of active companies, including a number of fintech and innovation firms.



Fund passporting and GCC initiatives

The UAE is leading discussions to establish a Gulf Cooperation Council (GCC)-wide fund passporting regime, aiming to simplify cross-border distribution of funds. Recent regulatory updates align the UAE's investment management regulations more closely with those of other GCC member states.



Regulatory environment

The UAE's dynamic regulatory landscape is designed to foster growth while ensuring compliance and protection for investors. Key regulatory bodies include the Emirates Securities and Commodities Authority (SCA), Dubai Financial Services Authority (DFSA) and the Financial Services Regulatory Authority (FSRA) in ADGM, each providing a framework conducive to the operation and promotion of funds.



Taxation and incentives

The UAE offers a favourable tax regime, including a 0% corporate tax rate for qualifying free zone entities and no VAT on the supply of goods in designated zones. An extensive network of double tax treaties further enhances its appeal to international investors. With a new corporate tax rate of 9% and 0% tax on dividends withholding tax (WHT) and capital gains tax (CGT), the UAE offers significant incentives for fund managers.



Investment trends and opportunities

The region is witnessing significant growth in asset management, with demand for tailored fund management services on the rise. The UAE's robust real estate sector, growing private equity landscape and burgeoning venture capital scene present diverse opportunities for fund managers.



Abu Dhabi Global Market (ADGM)

ADGM offers a comprehensive regulatory, legal and tax environment tailored for fund managers. With minimal capital requirements and competitive costs, it supports a wide array of fund types and provides a fast-track route for market entry.

Setting up a fund in the UAE



In DIFC

Fund managers can operate through a DFSA-licensed fund manager or as an external fund manager from an acceptable jurisdiction. The DIFC allows for a variety of fund vehicles and types, including public funds, exempt funds and qualified investor funds (QIFs).



In ADGM

ADGM offers a flexible framework for fund management, allowing for both local and external fund managers. It supports various fund types, such as public funds, exempt funds and QIFs, across different vehicles like investment companies, partnerships, and trusts. The authorisation process involves an initial meeting with the regulator, submission of a Regulatory Business Plan (RBP) with accompanying policies, procedures and financial statements, interviews with Authorised Persons, initial approval, ensuring share and lease capital arrangements and final approval.



Virtual asset activities

Firms engaging in virtual asset activities in Dubai, excluding DIFC, must obtain a Virtual Asset Service Provider (VASP) License from VARA, emphasising the UAE's commitment to becoming a leader in the virtual assets industry.

About Ogier in Dubai

Ogier's Dubai office provides clients in the UAE with corporate, regulatory consulting and offshore legal advice services tailored to the country's unique mix of global and local influences. We specialise in the incorporation and establishment of both regulated and unregulated entities within the DIFC and ADGM, serving diverse clientele from fund and asset managers to financial advisors and brokerage firms.

Our expertise extends to guiding clients through the (VARA) licensing requirements for virtual asset service providers, offering outsourced money laundering reporting officer (MLRO), compliance and risk services, and acting as a liaison with DIFC and ADGM regulators. This comprehensive support ensures that entities navigate the UAE's business environment and complex regulatory requirements with ease.

Conclusion

The UAE's strategic location, combined with its advanced regulatory framework and business-friendly climate, makes it an ideal destination for fund managers looking to tap into the MEASA region's wealth. For more information on how Ogier in Dubai can support your business needs in the UAE, please contact our expert team.

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