

MULTI FAMILY OFFICE

GUIDELINES

1 Introduction

- These guidelines are intended to clarify information regarding the incorporation of a company under the Multi Family Office [MFO] 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 MFO 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 Multiple Families and/or Single Family Offices [SFO]; and
 2. **Provision of Administrative** [compliance, secretarial etc.] **and/or Concierge Services** - in so far as these Professional and Administrative Services are rendered to multiple families [regardless of existence of a licensed family office structure catering to their needs]
- In all instances the term 'Client' or 'Client Families' or 'Multi-Family' or 'Multiple Families' are used interchangeably, and shall include without exception families' member[s], families' business[es], families' entity[ies], families' trust[s] or foundation[s], and/or SFOs¹.
- 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 MFO, 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 MFO** shall be 'Entity Name Multi Family Office FZE' or 'Entity Name Multi Family Office FZCO';
- Any and all Professional Services being undertaken by the entity for provision to Clients are required to be rendered by suitably **qualified and licensed/ certified parties/ professionals**; and
- MFO may choose to manage any/all [or similar] Professional and Administrative Services referenced in Scope of Services for the Clients noting that the **locations of any Assets under Management** [AuM] may be global, in so far as they are owned by the Client.

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

2.2 Structure and Specific Restrictions

- **Entity Structure:** Shareholding, Ultimate Beneficial Ownership [UBO], Board-membership, Operating Governance and Compliance Requirements etc. for an MFO will be similar to those stipulated within existing DWTC guidelines for an FZE/FZCO - i.e. an MFO is not required to comply with any incremental requirements.
- **Ownership or Sale of Shares** - MFO may not:
 1. **Hold share[s]** in any of the Family businesses or entities under management, of the Clients to which it provides services, subject to [2] and [3] below;
 2. **Alter MFO share allocation** structured at the time of its incorporation, as it specifically pertains to the shareholding percentage assigned to any of its Client[s]; and
 3. **Sell/ Transfer/ Assign** MFO shares post incorporation to any Client[s] serviced by it, resulting in the share allocation change prohibited above - to strictly prevent any single Client from gaining **Controlling Interest [CI]** and thus undesirably be able to influence the management of other Clients being serviced by the MFO.
- MFO may seek **special exemption** from these terms under extraordinary circumstances, with necessary rationale and substantive documentation provided to DWTC, and DWTC shall retain sole and absolute **discretion to grant** such exceptional permission.
- MFO 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 MFO, 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 Client Families.
- MFO is limited to providing **Services to, and/or Managing Assets or AuM of the Client**; Consequently, an MFO may strictly not, provide or manage the provision of permissible services, to businesses other than the Clients defined herein [definition of which, may be altered by DWTC at its sole discretion at any time, providing sufficient prior notice of such change].

2.3 Compliance and Reporting Guidelines

Upon commencement of its operations, the MFO must assure DWTC 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 Client Families.
- **Client:** No material change in the total number of Clients serviced/ being served by the MFO, without written notification of such change being reported to DWTC upon occurrence [within prescribed timelines] of such change.

- **Structure:** No material change in legal ownership structure [shareholding and/or UBO] of the MFO, 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 MFO, 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. MFO 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 MFO 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 MFO 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 MFO 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: MFO Qualification Process – Submission via DWTC online portal

| MFO LICENSE QUALIFICATION – SUBMISSION REQUIREMENTS | | | |
|---|------|--|---|
| Original | Copy | Documents | Remarks |
| | ☐ | Proof of family offices/family business that MFO wishes to service | <ul style="list-style-type: none"> • DWTCa’s discretion to seek further substantive documentation |
| | ☐ | Statement of Proof – Declaration attesting that MFO clients are not Politically Exposed Persons [PEPs] | <ul style="list-style-type: none"> • DWTCa’s discretion to seek further documents related to PEPs • PEPs Declaration is required for any new shareholder[s] |

| MFO LICENSE QUALIFICATION – SUBMISSION REQUIREMENTS | | | |
|---|------|---|---|
| Original | Copy | Documents | Remarks |
| | ☐ | MFO undertaking letter signed by Applicant[s] | <ul style="list-style-type: none"> DWTC form to be completed Must include signatures of all Applicants |
| | ☐ | MFO questionnaire filled and signed by Applicant[s], with all required documents to be attached | <ul style="list-style-type: none"> DWTC form to be completed Must include signatures of all Applicants |
| | ☐ | Business plan signed by the MFO Applicant[s] | <ul style="list-style-type: none"> Minimum requirements for the business plan include the following information, noting that any changes to the scope will require to follow the necessary procedures for approval prior to undertaking the services <ol style="list-style-type: none"> Number of Clients that will be catered for/ serviced by the MFO; Description and location of the Client activities – families, family businesses, trusts, foundations, assets or AuM etc.; Nature of the Scope of the Services envisaged to be undertaken at the time of incorporation |

Phase 2: MFO Incorporation Process - Upon confirmation that the online application is **qualified for an MFO License**, the applicant will be notified to select the **type of entity for incorporation** and follow standard DWTC 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 DWTC approval, the MFO shall:

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

5 Further Information

- Rules and Regulations of DWTC: www.dwtc.com/en/free-zone
- Contact DWTC Free Zone: +971 4 308 6775/ 6368 or info@dwtcauthority.com