



	COMPANY	FOUNDATION
Shares	Yes	None
Ownership	By shareholder(s)	Self-owning Orphan Structure
Control	Director(s)	Council Members Minimum of 2 Council Members
Supervised by	Board of Directors	Guardian if appointed, mandatory if no surviving founder or for charitable objects
Veto powers	Held by Shareholder(s)	"Reserved Powers" held by Founder/Guardians

CONSOLIDATION, ASSET PROTECTION, LEGACY PLANNING

Assets consolidation	✔ Yes	✔ Yes
Asset Protection	✘ Limited Prone to 3 rd parties attacks	✔ Yes Firewall against 3 rd parties attacks
Assets subject to probate	✘ Yes Shares are subject to probate	✔ No Foundation assets no longer part of personal estate
Dilution Risk	✘ High	✔ None Risk Mitigated!
Legacy planning	✘ No	✔ In place as per Founder wishes

	Trust	FOUNDATION
Parties	Settlor Trustee Beneficiary[ies] Protector (optional)	Founder Foundation Council Beneficiary[ies] Guardian (optional) Registered Agent
Founding Document[s]	Trust Deed Letter(s) of wishes by Settlor	Charter & By-Laws Letter(s) of wishes by Founder
Distinct Legal entity	✘ No	✔ Yes
Registration	✘ No	✔ Yes
Time period	✘ Depends On Jurisdiction	✔ No
Compatibility with regional key asset classes	✘	✔

	FUNDS	FOUNDATIONS
Primarily suitable for:	a. Investment pooling [single-/ multi-family office] b. Fund raising [both <i>related-</i> and <i>unrelated-</i> third parties] c. Structuring of large investments in regulated form [in view of future exit, additional funding rounds etc.]	a. Asset consolidation b. Succession planning c. Asset protection d. Investment pooling [<i>related parties</i> / Single family office only]
Supervised by financial services regulator?	Yes (exempt and qualified investor funds regulated indirectly via regulation of their fund managers)	No
Shares	Yes Referred to as "units"	None
Ownership	Units held by investors and, possibly, management	Self Owning Orphan Structure
Control	External Management team [regulated third party]	Foundation Council Minimum of 2 Council Members
Supervised by	Advisory Board	Guardian
Veto Powers	Reserved matters may require investors / advisory board's approval	"Reserved Powers" held by Founder/Guardian

CONSOLIDATION, ASSET PROTECTION, LEGACY PLANNING

Asset consolidation	✔ Yes if used by one family only. No otherwise	✔ Yes
Asset Protection	⊖ Limited	✔ Yes Firewall against 3 rd parties attacks
Asset subject to probate	✘ Yes	✔ No Foundation assets no longer part of personal estate
Dilution risk	✘ Yes	✔ None Risk mitigated!
Legacy planning	⊖ Partial	✔ Total As per founder wishes

	Notarial Will	DIFC WSC	FOUNDATION
For whom	Muslim and non-Muslim	Non-Muslim	Muslim and non-Muslim
Assets Covered	Muslim: 1/3 of Testator's assets Non-Muslim: 100%	100%	100%
Guardianship	✔ Yes	✔ Yes	✘ No
Enforceability	✘ After death	✘ After death	✔ Immediate After settlement of assets onto foundation
Legacy Planning	⊖ Muslim: Partial only [1/3 of assets] Non-Muslim: Yes	✔ Yes	✔ Yes
Assets Consolidation	✘ No Assets are held in individual capacity	✘ No Assets are held in individual capacity	✔ Yes
Asset Protection	✘ None Assets subject to 3 rd parties attacks	✘ None Assets subject to 3 rd parties attacks	✔ Yes Firewall against 3 rd parties attacks
Privacy	⊖ Limited Will filed in court as part of probate procedure	⊖ Limited Will filed in court as part of probate procedure	✔ Yes Beneficiary/ies, Foundation By-laws, not public
Probate	✘ Yes Can be lengthy and costly; may delay asset distribution	✘ Yes Can be lengthy and costly; may delay asset distribution	✔ None Foundation assets are no longer part of personal estate
Dilution Risk	✘ High Assets subject to probate procedure	✘ High Assets subject to probate procedure	✔ None Assets remain consolidated under Foundation
Regulatory Framework	UAE Personal Status Affair law (codification of Shariah), federal laws on public customs, i.e. guardianship	DIFC Common law with federal laws on public customs, i.e. guardianship	DIFC/ADGM Common Law
Applicable Law	Muslim: UAE Personal Status Affair law Non-Muslim: Law of Nationality of Testator	Law of Nationality of Testator (election)	DIFC/ADGM Common Law
Competent Court	Civil Courts	DIFC Court	DIFC/ADGM Court
Costs	One-time registration; then cost of probate	One-time registration; then cost of probate	Ongoing structure maintenance No (cost of) probate

UAE Foundation in Practice – Ultimate Cheat Sheet

POWERED BY M/HQ

Since their introduction in the UAE in 2018, foundations have had a substantial impact on the structuring of domestic and regional assets.

Who will assist you



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Who we are

We are a multi-services platform catering to a broad spectrum of clients – from individual entrepreneurs and local SMEs to wealthy international families, to established blue-chip companies and multinationals. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary combination of a market-leading corporate services firm, a law firm's specialist expertise and a regulatory & compliance services practice, all through one single platform.

We have broad experience advising successful individuals and international families on a broad range of legacy planning and wealth structuring issues, including structuring of operational and non-operational assets. We particularly assist in relation to establishing foundations, drafting charter and by-laws, advising on the foundation objects and structuring of foundation assets, and guiding the founder on the foundation governance strategy and implementation.

Headquartered in the UAE, we are an entrepreneurial firm for entrepreneurial clients.