

PRIVATE WEALTH REVIEW

Inaugural Edition | Autumn 2026

THE UAE: A GROWING HUB FOR GLOBAL PRIVATE WEALTH

The UAE has evolved from an attractive destination for internationally mobile individuals into an important global hub for wealth structuring, investment management and succession planning.

This transformation is reflected not only in the growing number of wealthy families establishing a presence in the country, but also in the rapid development of its private wealth infrastructure. By the end of the first half of 2026, the number of foundations registered in DIFC had reached 1,409, a 67% year-on-year increase.

At the same time, the UAE's legal and tax landscape continues to evolve. New structuring vehicles, expanding foundation regimes and developing Corporate Tax guidance create new opportunities for international families and entrepreneurs, but also raise increasingly complex questions.

Effective wealth planning requires more than choosing the right jurisdiction or establishing a legal structure. Tax residency, asset ownership, succession, family governance and cross-border tax implications must be considered together.

Against this backdrop, Willow Tax & Legal is launching its quarterly Private Wealth Review.

Each edition will highlight key legal and tax developments, explore their practical implications for international families and founders, and share insights from our experience advising on complex cross-border wealth structures.

Our focus is on how legal and tax rules work in practice and how they shape real decisions about protecting, managing and transferring wealth.

PRIVATE WEALTH IN NUMBERS

The UAE's Expanding Private Wealth Landscape

1,409 FOUNDATIONS	1,408 FAMILY-RELATED ENTITIES	1,925 WILLS
Registered in DIFC as of H1 2026, representing a 67% year-on-year increase.	Registered in DIFC as of H1 2026, representing a 36% year-on-year increase.	Registered through the DIFC Courts Wills Service during the first half of 2026, bringing total registrations since its launch to more than 14,300.

KEY LEGAL & TAX DEVELOPMENTS

FTA Updates Its Guidance on Family Foundations: New Opportunities for Multi-Tier Structures

In June 2026, the UAE Federal Tax Authority published an updated Corporate Tax Guide on the Taxation of Family Foundations (CTGFFI), introducing important clarifications for family wealth structures.

One of the most significant changes concerns multi-tier ownership arrangements. The FTA has revised its previous position: an SPV wholly owned, jointly, by two or more Family Foundations that are themselves treated as fiscally transparent may now apply for transparent treatment, provided the control and other statutory conditions are met.

The updated Guide also addresses the Corporate Tax treatment of family offices, clarifying that single and multi-family offices held by a Family Foundation will generally remain subject to Corporate Tax.

The guidance provides greater clarity for existing structures and may create additional opportunities for families considering the consolidation of their investments through UAE holding vehicles.

For more details, see the [alert](#) prepared by the Willow Tax & Legal team.

DMCC Introduces a New Foundation Regime, Expanding UAE Wealth Structuring Options

DMCC introduced its new Foundations regime on 23 September 2026, adding another option alongside DIFC, ADGM and RAK ICC for family wealth structuring and succession planning in the UAE. The DMCCA Foundations Regulations 2026 provide for flexible governance, optional use of a registered agent, a minimum initial asset value of USD 100, and the possibility to include arbitration provisions in the foundation documents.

DMCC Foundations are managed by a council of at least two members, while founders may retain broad powers, including appointing council members and changing beneficiaries. A Guardian becomes mandatory once no founder remains alive, and charitable or non-profit purposes generally require separate approval.

DMCC announced that implementation guidance and onboarding procedures would follow the adoption of the Regulations.

UAE structuring update: broader access to ADGM SPVs and DIFC Prescribed Companies

ADGM and DIFC have broadened access to their passive holding vehicles, expanding structuring options for international investors without a pre-existing connection to the UAE or GCC.

DIFC's updated Prescribed Company regime removes previous qualifying requirements, allowing a broader range of international applicants to establish vehicles for holding assets worldwide. Most applicants must appoint a DIFC-licensed Corporate Services Provider to act as the primary administrative and compliance interface with the Registrar of Companies.

ADGM has also removed the nexus requirement for its SPV regime, as reported by several CSPs. Non-exempt SPVs must still appoint an ADGM-licensed Company Service Provider, and the requirement for an eligible authorised signatory remains.

These developments expand the options available for cross-border investment holding, family wealth structuring and holding interests in joint ventures. Both types of vehicle remain intended for passive holding purposes and cannot conduct operational business or employ staff.

WHAT IT MEANS IN PRACTICE

Three Considerations for International Families and Their Advisers

1 Tax Transparency Requires a Review of the Entire Structure

The FTA's updated guidance creates opportunities for more complex family holding arrangements, but tax transparency should not be assessed at the level of an individual entity alone.

Ownership chains, the nature of underlying activities, control arrangements and the tax treatment of beneficiaries must all be considered.

For international families, a tax-transparent structure in the UAE may not necessarily produce the most efficient outcome in other jurisdictions.

2 Choosing a Foundation Is More Than a Jurisdictional Decision

With the introduction of DMCC Foundations, families have an expanding range of structuring options in the UAE.

However, the choice between DIFC, ADGM, RAK ICC and DMCC should be driven by more than establishment costs or administrative convenience.

Governance flexibility, founder control, succession arrangements, the nature and location of assets, banking requirements and Corporate Tax implications can materially affect the suitability of each structure.

3 Easier Incorporation Does Not Mean Automatic Tax Benefits

The expansion of DIFC's Prescribed Company regime removes important barriers to establishing passive holding vehicles.

However, access to a legal structure and its Corporate Tax treatment are separate questions.

For international investment structures, particular attention should be paid to the nature of underlying assets, applicable exemptions, Free Zone tax conditions and cross-border tax exposure.

FROM OUR PRACTICE

CASE 1

From Foreign Trusts to a UAE Foundation: Navigating Corporate Tax Risks

The challenge

An international family sought to transfer assets from foreign discretionary trusts to an ADGM Foundation.

A key question was whether the assets received could be treated as capital contributions rather than taxable income, particularly where the transfers were made by trustees rather than directly by the founder.

Our approach

We analysed the UAE Corporate Tax treatment of the transfers, their characterisation as capital contributions or taxable income and the implications of alternative holding arrangements.

The advice also considered how the Foundation's UAE tax position would interact with the taxation of beneficiaries in other jurisdictions and identified practical steps to mitigate potential risks.

CASE 2

Bringing International Family Assets Under a Single UAE Structure

The challenge

A UAE-resident entrepreneur sought to consolidate operating businesses, investment portfolios and real estate held across four jurisdictions under a coordinated ownership structure.

The challenge was to develop an arrangement that would remain suitable under different potential future tax residency scenarios.

Our approach

We assessed the client's tax residency position, the Corporate Tax implications of existing UAE entities and potential Family Foundation arrangements, and the treatment of different categories of investment income.

The analysis also covered cross-border asset transfers, foreign tax exposure, treaty considerations and the potential role of a family office.

Based on these findings, we designed a target structure integrating the client's business and investment assets.

WILLOW INSIGHTS

Selected Articles and Analysis

UAE Corporate Tax Treatment of Founder's Endowment to a UAE Foundation

An analysis of the Corporate Tax implications of transferring assets into UAE foundations and the importance of correctly characterising such contributions.

Read the article → [UAE Corporate Tax treatment of founder's endowment to a UAE Foundation](#)

Change of Individual Tax Residence: Case Study

A practical look at the tax considerations arising when individuals relocate between jurisdictions, including the interaction of domestic residency rules and international tax treaties.

Read the article → [Change of Individual Tax Residence: Case Study](#)

Family Foundation and Pillar Two: When the Use of a Transparent Entity Causes More Tax

An examination of how fiscally transparent family wealth structures can interact with the global minimum tax rules, potentially producing unexpected tax consequences.

Read the article → [Family Foundation and Pillar Two: when use of a transparent entity causes more tax](#)

DISCUSS YOUR PRIVATE WEALTH STRUCTURE

Whether you are considering relocation to the UAE, restructuring international assets, establishing a family foundation or reviewing an existing wealth holding arrangement, our team would be pleased to discuss the legal and tax implications.



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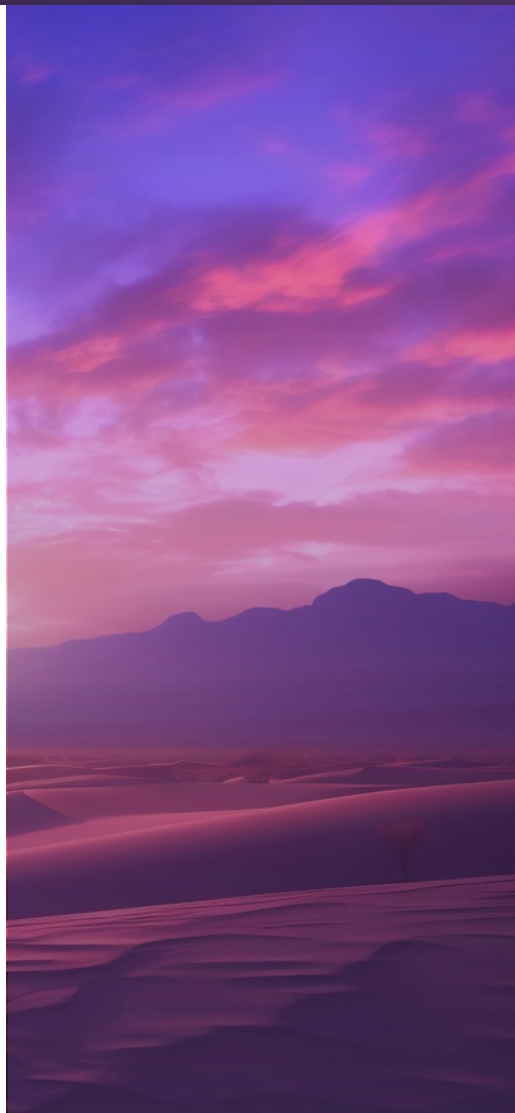
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