



ABU DHABI GLOBAL MARKET  
سوق أبوظبي العالمي

## ADGM FOUNDATIONS REGIME

### Introduction

**Foundations provide a mechanism to consolidate family holdings of various assets into a single top holding entity.**

Using a Foundation to hold family assets, whether business interests, property, financial investments or any other assets, allows very clear instructions to be legalised as to the transfer of assets upon succession.

Transferring ownership of all assets that are held under a single top entity is operationally efficient and tax efficient. It is also cost effective compared to the complicated process of having to separately and individually transfer a wide range of asset holdings. Having clear wishes and plans set out in the Foundations Charter and By-Laws makes succession arrangements far less challenging, and helps avoid many of the common issues that arise upon the death of a senior family

### Benefits of Foundations

- A new type of legal entity – A Foundation operates like a common law trust yet has features more similar to a company
- Robust governance mechanisms – ADGM Foundations Regulations follow international best practice and set a legislative standard for the Foundation Council. This standard includes statutory duties, similar to common law and equitable duties imposed on company directors. A Guardian supervises the Foundation Council and ensures that it acts in accordance with the Foundation's Charter and By-Laws. Appointment of the Guardian is optional during Founder's lifetime and compulsory upon Founder's death.
- Distinct legal personality, unlike a Trust – Having a legal personality provides Foundations with flexibility to enter into contracts and arrangements directly, as a company would be able to.
- Separation of liability whilst maintaining control of assets – The Foundation is a distinct legal entity which allows for separation of liability between Founder and the Foundation.
- Perpetual existence after lifetime of Founder – Like a company, a Foundation is a perpetual concept, allowing arrangements to continue and therefore providing certainty after the Founder's death.
- Asset protection – ADGM Foundations Regulations include firewall provisions designed to assist in protecting the rights of beneficiaries and preserve the Foundation's assets from bankruptcy claims, claims in the event of divorce and from the effect of forced heirship rules.

member. Establishing a Foundation ensures a far higher degree of certainty and comfort that assets will be distributed in accordance with the Founder's wishes, with the life of the Foundation continuing perpetually after the Founder's death.

The ADGM Foundations Regime provides a new alternative to trusts for financial planning and structuring. ADGM Foundations allow the HNWI, Family and corporate community to locally access a much sought after product from a world-class international financial centre for the first time in the United Arab Emirates, as well as offering an attractive alternative jurisdiction to international clients.

Features of the regime were benchmarked globally and have been developed to be highly flexible and to strike an appropriate balance between regulatory obligations and confidentiality, and governance and operations. ADGM

Foundations are fast and simple to set up and manage with straightforward ongoing reporting requirements, and are competitively priced.

ADGM Foundations can be used for a variety of purposes, including wealth management and preservation, family succession planning, tax planning, asset protection, corporate structuring, and for Public Interest Foundations (excluding charities).

### Why ADGM for Foundations

#### ADGM Framework

- Highly reputed International Financial Centre
- Common law jurisdiction
- Best-in-class regulatory framework
- Independent ADGM Courts
- ADGM is a tax friendly environment, with 0% direct tax
- Access to UAE's extensive Double Tax Treaty network
- Access to a world-class advisory community

#### Foundations Regime

- Locally based option available for the first time
- Protects confidentiality of Foundation's arrangements
- In-built governance controls to safeguard the wishes of the Founder
- Quick and easy, fully digital registration process
- No attestation required for documents
- Allows migration from other jurisdictions into ADGM
- Availability of a variety of complementary legal structures in ADGM

## Highlights of ADGM Foundations Regime

- Redomiciliation of Foundations into and out of ADGM allowed
- Flexibility to amend governance structure once established
- Low set-up cost
- Commit initial assets of as little as USD \$100 to the Foundation
- Use of registered agent is voluntary
- No physical office requirement - Foundations are required to maintain a registered office address in ADGM either independently or through a registered agent
- No requirement for a Founder or Foundation's officers to be based in the UAE or maintain residency in the UAE
- All Foundation roles can be individuals or body corporates
- Limited public disclosure with no individuals' names on public register. Whilst disclosure to public is minimal, there is full disclosure to the Registrar. This provides for balance, preserving client confidentiality whilst maintaining transparency where required, in order to fulfil the objectives of ADGM in relation to reporting standards and international treaties to which UAE is party

## How to apply

### APPLICATION

Submit online application and Foundation Charter



### REGISTRATION

Once information is accurately submitted, process can be completed within a few days

### Application information / documentation required:

- Details of Councillor, Guardians, Beneficiaries and Founder
- Copies of ID documents and evidence of appointment
- Details of the registered office address in ADGM
- Details of the Registered Agent (if appointed)
- Details of the Designee (only in the scenario where there are no beneficiaries)
- Foundation Charter (a model Charter is available for use)
- As an integral part of the application, certain declarations must be made in relation to each including the, Founder, Councillor and Guardian

Note: ADGM Foundations are not subject to AML requirements

### Disclosure requirements:

Full disclosure to ADGM Registrar	Yes
Publicly accessible information	No
Beneficial ownership publicly disclosed	No
Annual return requirement	Yes – simple online form
Filing of accounts	No
Audit requirement	No
Data Protection	Yes
Anti-Money Laundering	No

### Foundation fees:

Registration of Foundation	\$200
Annual renewal of Foundation	\$200
Continuation into / out of ADGM	\$500
Notification of changes	\$100

### CONTACT US

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