



Dubai
International
Financial
Centre



Islamic Financial Institutions



DIFC Overview

The Dubai International Financial Centre (DIFC) is the financial hub for the Middle East, Africa and South Asia, providing a world-class platform connecting this region's markets with the economies of Europe, Asia and the Americas. It also is facilitating South-South trade and investment flows.

An onshore, international financial centre, DIFC provides a stable, mature and secure base for financial institutions to develop their wholesale businesses.

The Centre offers inspiring architecture, powerful and enabling infrastructure, support services, a vibrant business community, ultra-modern office space, retail outlets, cafes and restaurants, art galleries, residential apartments, public green areas and hotels.

Located midway between the global financial centres of London in the west and Singapore in the east, DIFC fills a vital time-zone gap with a workday that bridges the market and business hours of financial centres in both Asia and North America.

Financial Services Cluster

DIFC enjoys a critical mass of companies operating in, or serving, the financial services sector.

There were over 1,000 companies by the end of June 2014, including:



350

FINANCIAL SERVICES FIRMS

21/25

WORLD'S
TOP BANKS

11/20

OF THE WORLD'S
TOP MONEY MANAGERS

7/10

LARGEST INSURANCE
COMPANIES

7/10

OF THE WORLD'S
TOP LAW FIRMS

4/4

TOP ACCOUNTING
FIRMS





Tax Efficiencies

DIFC provides a 40-year guarantee of zero taxes on corporate income and profits, enhanced by the UAE's wide network of double taxation avoidance treaties with more than 50 countries.



Common Law Framework

DIFC's legal system and courts follow a Common Law framework that is administered by an independent and highly regarded regulator and adjudicated by an equally respected court system. Distinct from the UAE legal system, laws and regulations are issued in English.



Hub & Spoke Model

Attractive location for management, treasury centres, or regional management, booking of assets, risk management, and product structuring and development, followed by roll out to branches regionally and globally.



No Restriction on Capital Repatriation

DIFC-based companies face no restrictions or constraints on capital or profit flows, and there are no currency exchange controls in this US dollar-denominated jurisdiction.



Full Foreign Ownership

Within DIFC, subsidiaries and other incorporated entities enjoy 100% foreign ownership, as well as a flexible, world-class regulatory environment that allows for a wide range of options for structuring legal entities. It also offers a specific option for a representative office license.



World Class Regulator

One of the principal factors behind the success of DIFC is its independent risk-based regulator, the Dubai Financial Services Authority (DFSA). The DFSA grants licenses and regulates the activities of financial services conducted through DIFC.

Why DIFC for Islamic Financial Institutions?

In line with his Highness Sheikh Mohammed bin Rashid al Maktoum's vision, Dubai is well positioned to become the capital of the Islamic economy, supported by DIFC as a hub for Islamic Finance.

DIFC offers the necessary regulation and legislation for Islamic Finance institutions to develop and sell Shari'ah compliant products that are relevant to the region and across the globe.

Furthermore three of the Centre's board members are serving on the committee currently overseeing the implementation and growth of the Islamic initiative.

Shari'a Governance

Islamic activity in DIFC is regulated by the Dubai Financial Services Authority, which requires that firms conducting Islamic activities put systems in place to ensure that the business is conducted in accordance with Shari'a. This includes the appointment of a Shari'a Supervisory Board (SSB), which must include at least three competent scholars. An SSB also is required of Islamic funds.

Islamic Endorsement

The law regulating Islamic financial activities also requires that any firm conducting Islamic financial business must have a special endorsement on its licence. This is applicable both to wholly Islamic firms and to conventional institutions operating Islamic windows.



Regional Opportunities in Islamic Financial Institutions

The global Islamic economy has a potential value of US\$6.7 trillion, while total Islamic financial assets are currently estimated to be US\$1.35 trillion. This includes US\$985 billion in the area of commercial banking, US\$251 billion in sukuks (bonds,) US\$44 billion in Islamic funds, and US\$26 billion in Takaful (insurance) assets. What's more, this sector is growing at 15-20% a year.

During 2013, NASDAQ Dubai listed sukuks with a total value of US\$6.1 billion, leading to the exchange's position as the third largest sukuk market in the world.

As well, DIFC is situated within what Ernst & Young calls the QISMUT (Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates, Turkey) region, which constitutes 78% of global Islamic banking assets.

Across QISMUT, Islamic banking assets are set to cross US\$662 billion in 2013, with a CAGR of 19.7% between 2013-18 and total QISMUT banking assets reaching US\$1.6 trillion by the end of the period.

In addition to its growth trajectory, Islamic finance also is witnessing a multitude of innovations in terms of product offerings. This has seen Islamic finance expand from simple commercial banking activities to encompass more sophisticated structured finance, sukuks and risk management solutions. This is fuelling further growth and the need for Islamic financial institutions and other specialised service providers.



20%

Sector growth per year

\$6.7 trillion

Potential global value of Islamic economy

\$662 billion

Total Islamic banking assets in the QISMUT region

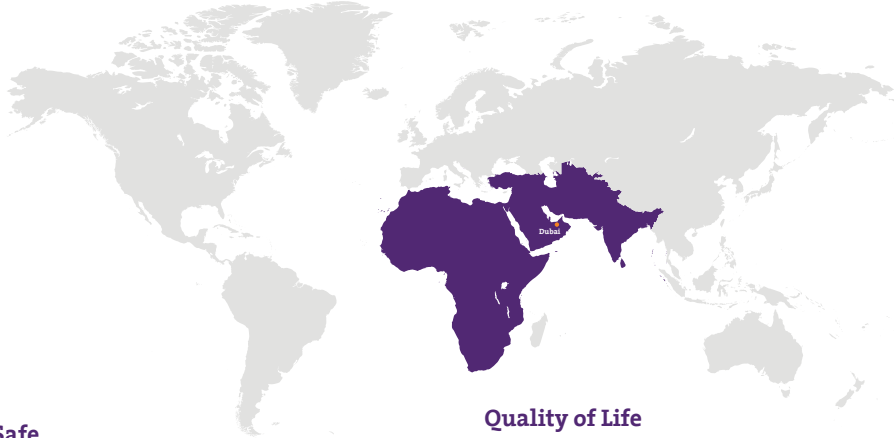
78%

Percentage of global Islamic banking assets in the QISMUT region



Dubai: Gateway to Emerging Markets

Dubai has built the region's most developed infrastructure and highest quality of life. World renowned for its leisure offerings, it has a large and expanding supply of housing, healthcare, education and recreational facilities to suit any lifestyle. The UAE ranks 5th globally in terms of infrastructure quality.



Stable and Safe

Dubai and the wider UAE provide the region's most stable and safe location for living and working.

Time Zone and Connectivity

- Two-thirds of the world's population is within eight-hours flying time
- Ideally situated between Europe and Asia, Dubai (GMT +4) enables multiple hours of communication with the United States, Europe and Asia
- Dubai International Airport is the world's second busiest airport for international passengers with more than 125 airlines flying to more than 260 destinations.

Quality of Life

Residents enjoy Dubai's vibrant, cosmopolitan and open environment. The Emirate's large pool of privately run schools, hospitals and clinics are supported and regulated by world-class oversight bodies, ensuring both accessibility and quality of care and learning.

Access to Talent

Dubai is home to a skilled, multicultural and multilingual talent pool that is drawn to Dubai by the comfortable and high quality of life.

- 2.1 million people live in Dubai
- More than 200 nationalities
- 100,000 people arrive every year
- More than 40 accredited universities

For more information:

Tel: +971 4 362 2222 • setup@difc.ae • difc.ae • [@difc](https://www.instagram.com/difc)