



Dubai  
International  
Financial  
Centre



**Banks**



## 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.

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## 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.

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## 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.



## 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.

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## 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.

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## 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 Banking?

## **A Modern Regulatory Platform**

DIFC offers a flexible and robust regulatory framework to support region-wide investment banking, M&A, commercial banking and innovative project finance requirements, including securitisation and asset-backed financing. The Centre's infrastructure offers banks the ability to tap inward, outward and intra-regional investment and wealth management flows throughout the Middle East, Africa and South Asia region.

By operating from DIFC, international banks enjoy a sophisticated and well-established legal framework that supports cross-border financial products that might otherwise face multi-jurisdictional risks or regional restrictions on foreign financial institutions providing wholesale banking services.

## **Trade Finance**

As a global trading hub, Dubai makes DIFC an ideal platform to serve the trade and export financing needs of companies engaged in imports and exports to, from or within the region. Likewise, DIFC is an ideal location to provide and

manage supply and capital equipment financing, to maintain international currency accounts, and to manage cross-border transaction settlement in multiple currencies.

## **The Heart of Regional Deal Making**

International loan syndications and other financing initiatives benefit from the DIFC platform since most international players are based in the Centre and the consortium benefits from the strength of DIFC's legal framework. This includes project financing for much of the US\$9 billion that Dubai is expected to spend on infrastructure in preparation for the Dubai World Expo 2020, and the US\$4 trillion project pipeline across the Middle East and North Africa (MENA).

## **Merchant Banking**

Some of the most common corporate banking products to be provided from the Centre include project, structured and corporate finance, capital market solutions, credit solutions, accepting deposits, brokerage, trading, research, treasury, and custody, clearing and settlement.



## Regional Opportunities in Banking

The enormous wealth being created across the Middle East, Africa and South Asia (MEASA) is providing significant opportunities for the full range of banking services. Greater integration into both global trade and the international financial architecture is driving greater cross-border trade and investment activity, mergers and acquisitions, and restructuring by state-owned enterprises, corporations and private entities.

Trade within, to and from the Middle East and North Africa is expected to rise 131% by 2026, compared with a global average of 86%. This is driven by commodities, but other traded goods as well, particularly with Dubai and the wider UAE playing an increasingly key role as a global entrepôt serving East-West, North-South and the growing momentum in the US\$ 4.7 trillion South-South trade.

The South-South share of total world exports has doubled over the last 20 years to more than one-quarter of the total.

Broad-based capital spending is being pumped into sectors such as technology, infrastructure, education, renewable energy and other areas of significant interest to banks.

Nearly US\$2.5 trillion worth of construction contracts are planned or under way in the GCC. Across the wider MENA region, the total exceeds US\$4 trillion.

These include new schools, housing units, hospitals, roads, rail networks, power & water plants, and oil & gas facilities.

The value of announced M&A transactions with Middle Eastern involvement reached US\$43.4 billion during 2013, 7% more than during 2012, and marking the best full-year total since 2010.



**131%**

**Expected rise in trade across MENA by 2026**

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**\$4 trillion**

**Value of construction contracts planned or underway in MENA region**

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**\$43.4 Billion**

**Value of M&A transactions with Middle East Involvement during 2013**

**25%**

**Share of total world exports by South-South trade**



# 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

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## For more information:

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