



Dubai
International
Financial
Centre



Insurance, Reinsurance and Captives



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.



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.



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.



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.



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 Insurance, Reinsurance and Captives

Strong Regulatory Environment

DIFC offers reinsurers, brokers, independent managing general agents and Lloyd's coverholders a single, world-class regulatory environment within the Middle East, Africa and South Asia region to support their growth. This robust environment helps firms manage their set-up costs, time to market and accessibility to market.

Regulated by the highly respected Dubai Financial Services Authority (DFSA), the insurance and reinsurance platform in DIFC allows providers and brokers to avoid the complexity of wide regional disparities on issues of compliance, supervision and reporting. In addition, Dubai's commitment to becoming the centre of the global Islamic economy has made Retakaful one of DIFC's key sector priorities.

DFSA legislation allows for:

- Multiple areas of practice in all life and non-life and Islamic lines of insurance and reinsurance business
- Sets reasonable capitalisation requirements
- Has an international risk-based capital approach to regulation

- Puts no investment strategy restrictions regarding how an insurer can invest its capital

Recognised by the UK's Prudential Regulation Authority (PRA) and the US Federal Reserve, DFSA is also a member of the International Association of Insurance Supervisors (IAIS) and the International Organization of Securities Commissions (IOSCO).

Compelling for Captives and Protective Cell

Located in Dubai, close to many regional companies' headquarters, DIFC offers an attractive environment for the setup of captive insurance companies by providing the flexibility that permits single parent, association and group captives. It also provides for a variety of legal structures in the formation of Protective Cell Companies (PCC), which allow for lower formation costs and capital requirements.

Insurance Ecosystem

DIFC provides a well-established industry cluster that partners with firms operating in the centre. These include actuaries, rating agencies, loss adjusters and IT companies all supporting the needs of the insurance and reinsurance community across the market.



Regional Opportunities in Insurance, Reinsurance and Captives

High Growth Potential, Low Penetration

This region has one of the lowest insurance penetration rates in the world, and a high rate of economic growth.

- Total premiums comprise less than 1.5% of GDP, one fifth of the global average.
- GCC premiums grew at an annual compound growth rate of 21% during 2002-12, the same as Brazil and China.
- The percentage of ceded risk is rising, now standing at close to 50%.

Growth is further supported by regulatory changes affecting a range of insurance sectors. This includes a trend toward mandatory health insurance, particularly in the GCC.

A Growing and Maturing Economy

The diversification of economic activity is also supporting insurance and reinsurance development. Specific areas of growth include:

- Privatisations that require insurance cover on previously uninsured risks and assets
- Large regional companies and governments expanding regional and international operations, thereby necessitating specialist advice and products to help them mitigate new risks in product lines that include marine, aviation, transportation, P&I and energy.
- More than US\$4 trillion worth of projects are planned or underway across the MENA region, serving to boost demand for insurance in the region.



1.5%

Total premiums in MENA as percentage of GDP

21%

GCC premium annual compound growth rate

\$4 trillion

Worth of projects planned or underway in MENA

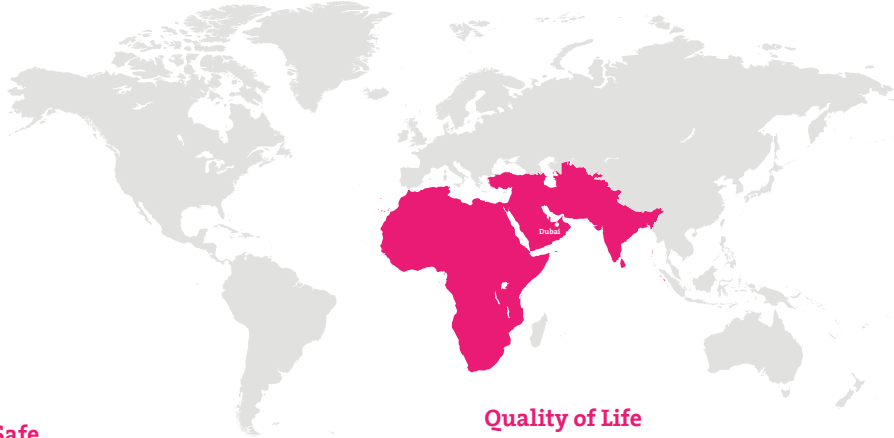
50%

Total percentage ceded risk in the 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://twitter.com/difc)