



Dubai
International
Financial
Centre



Wealth Management



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 Wealth Management?

Highly Regarded Regulatory Environment

DIFC provides a comprehensive, world-class and sound regulatory environment of the same calibre as the world's leading international financial jurisdictions. Located close to some of the fastest-growing centres of wealth creation, DIFC offers an ideal platform for firms to better reach and serve institutional clients, and HNWI individuals.

Full service asset management activities can be supported from distribution and management through to domiciliation and administration. The DIFC's geographical location infrastructure, and talent pool make it the logical choice for managers of emerging market, frontier market, private equity and Islamic funds. The new qualified investor fund allows rapid time to market with a 48 hour registration process and domiciliation in the DIFC gives investors the protections they require and the manager certainty that legal risks such as money laundering are being effectively managed. The significant pool of human resources in accounting and back office personnel makes the DIFC extremely competitive for fund administration activities combining European style infrastructure with South Asian levels of personnel costs.

The dynamic financial services ecosystem in DIFC has more than 150 active banking and capital market firms and over 80 insurance companies and brokers.

This means that a firm in the DIFC is well placed to identify suitable investment opportunities, participate in deals and service and grow insurance fund mandates.

DIFC's regulatory framework enables:

- Special purpose companies for financing transactions that facilitate the economic ownership of GCC real assets by non-GCC investors
- Sophisticated investor vehicles with tailored regulatory requirements
- DIFC-domiciled alternative investment funds to be marketed in the European Union through private placement regimes
- Establishment of DIFC trusts for estate planning and related purposes

A Focus on Funds

DIFC has put in place a flexible and robust environment to support all types of fund-related activities, including:

- Open-Ended Funds (ETFs and non-ETFs)
- Funds of Funds
- Private Equity Funds
- Hedge Funds
- Real Estate Funds
- Shari'a-Compliant Funds



Regional Opportunities in Wealth Management

Growing Pool of Wealth (and Demand for Management)

The Middle East and North Africa (MENA) region is home to nine of the top 20 sovereign wealth funds in the world, with assets totalling approximately US\$ 2 trillion. Other institutional wealth includes GCC pension funds, whose assets are set to grow 8.8% a year to reach US\$5.0 trillion by 2020. Private wealth in the Middle East and Africa region is projected to see a CAGR of 6.5% to reach US\$7.2 trillion by the end of 2018. Expatriate stay timelines are increasing leading to a demand for longer term investment and exposure to higher risk assets.

AUM on the Rise

Over the past decade, assets under management in the MENA region have tripled, and the number of asset managers has quadrupled. Looking ahead, assets under management in the broader Middle East and Africa region are expected to rise to US\$1.5 trillion by 2020, from a total of US\$600 billion in 2012.

Seeking Shari'a Returns

Dubai is in the heart of 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, with total assets reaching US\$1.6 trillion across just these six important markets.



9/20

Number of top sovereign wealth funds situated in MENA

\$7.2 trillion

Total value of regional private wealth in MENA by end of 2018

\$1.5 trillion

Total value of assets under management in MENA by 2020

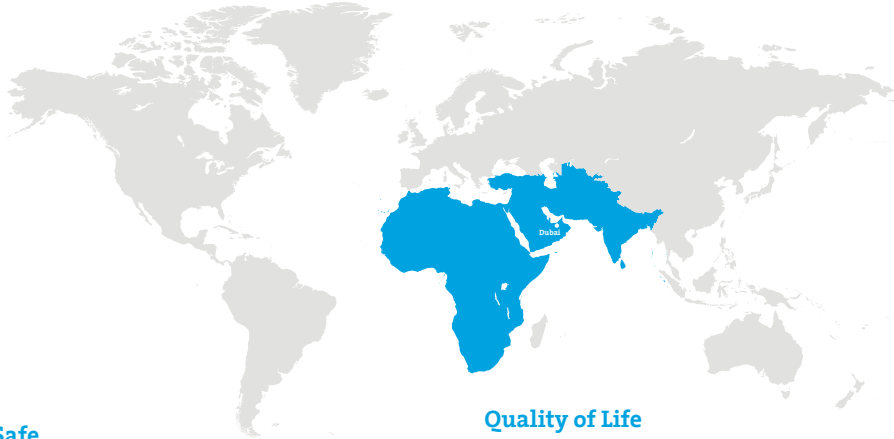
\$662 billion

Total value of Islamic banking assets in QISMUT of which UAE is central



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)