



FAMILY OFFICES IN THE UAE

Why families set one up and why Dubai or Abu Dhabi,
how to reach 0% corporate tax, and how to choose
between DIFC and ADGM

Guide for families and their advisers
Ashmont Pinnacle Advisory FZ-LLC
October 2026

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This guide sets out how we understand the rules as of October 2026. Rules change and every family's position is different, so each family should confirm its own position with a tax adviser before acting.

1. About Ashmont Pinnacle Advisory

Ashmont Pinnacle Advisory FZ-LLC is an international corporate advisory firm licensed in the Ras Al Khaimah Economic Zone, United Arab Emirates. We advise families and private individuals on how to structure, hold and manage their wealth in the UAE, and we coordinate the parties needed to put that structure in place.

We work closely with a small number of families at a time, with accountability and in confidence.

2. Why open a family office

A family office is a company that manages one family's wealth. Families set one up for five main reasons.

- **Control:** one structure holds and manages all the family's assets, instead of several banks and advisers who do not talk to each other.
- **Succession:** clear rules for passing wealth to the next generation, which helps avoid disputes and forced sales.
- **Privacy:** investments, deals and family affairs stay out of public view.
- **Cost and access at scale:** above roughly USD 100 million to 250 million, an in-house office can cost less than paying fees to outside managers, and it gains direct access to private deals, property and co-investments.
- **Governance:** a family constitution, an investment policy and regular reporting give the family discipline and one clear picture of its wealth.

3. Why Dubai or Abu Dhabi

- **Tax:** no personal income, capital gains or inheritance tax, and a wide network of double tax treaties.
- **Dedicated regimes:** DIFC and ADGM have specific family office and foundation rules, with English-style common law and their own courts.
- **Residence:** Golden Visas for the family and staff, and an easy place to live, with good schools, safety and healthcare.
- **Location:** a hub between Europe, Asia and Africa, with direct flights and a time zone that works across all three.
- **Capital and deals:** a growing number of banks, wealthy families and sovereign funds based here, bringing co-investment and property opportunities.
- **Stability:** a currency pegged to the US dollar and a government that actively wants to attract private wealth.

"No tax" is not quite absolute. UAE corporate tax at 9% can apply to the family office company unless it is structured to qualify for the exemptions. The structure therefore matters from the start (sections 6 to 11).

4. Why a financial centre: DIFC and ADGM

DIFC (Dubai International Financial Centre) and ADGM (Abu Dhabi Global Market) are separate legal jurisdictions inside the UAE. This is very different from the City of London, which follows exactly the same laws and taxes as the rest of the United Kingdom; its special status is political, not a different rulebook for business.

- **Own legal system:** business, civil, employment and trust law is common law, written in English and based on English law. ADGM applies English common law directly; DIFC has its own laws modelled on it. The rest of the UAE uses civil law in Arabic.
- **Own courts:** separate from the Dubai and UAE courts, plus international arbitration. DIFC Courts judges come from England and Wales, Scotland, Australia, Malaysia and the UAE; ADGM Courts judges come from England and Wales, Hong Kong, Australia and New Zealand.
- **Own regulator:** the DFSA in DIFC and the FSRA in ADGM, both trusted by international banks.
- **Ownership:** 100% foreign ownership, and no limits on moving money in or out.
- **Succession:** non-Muslim families can register wills and use foundations, so heirs inherit under rules the family chooses.
- **What still applies:** UAE criminal law, immigration rules and federal tax law apply inside both centres, as everywhere else in the UAE.

The 50-year tax guarantee

DIFC offers a 50-year guarantee of 0% tax on company profits. On its own, that is no longer the whole story. Since June 2023, the 9% federal corporate tax applies inside DIFC and ADGM too, and a company there pays 0% only if it qualifies as a Qualifying Free Zone Person (section 6). We therefore do not describe a financial centre company as guaranteed tax free for 50 years. Families choose DIFC or ADGM today mainly for the law, the courts and the regulator; the tax benefit is important, but conditional.

5. DIFC or ADGM: which to choose

The family's total net assets decide the choice. From USD 10 million to USD 50 million, only ADGM is open. From USD 50 million, both are.

	ADGM (Abu Dhabi)	DIFC (Dubai)
Minimum family net assets	USD 10 million	USD 50 million, a legal requirement confirmed every year on renewal
What counts	The family's total net assets, not the office's balance sheet	The family's total net assets, including operating businesses and real estate
Money put into the office	None required; the test is the family's wealth	None required; the test is the family's wealth
Government fees	SFO incorporation USD 5,600, renewal USD 5,300 a year; foundations about USD 800 to 1,000 to set up and USD 500 a year	Higher; DIFC is the premium option
Typical annual running cost	USD 10,000 to 20,000	USD 15,000 to 30,000
Financial licence	Not needed for a pure single family office	Not needed for a pure single family office
Families served	One family	One or more families, with approval
Law, courts, regulator	English common law applied directly; ADGM Courts; FSRA	Common law modelled on English law; DIFC Courts; DFSA

Points to remember

- DIFC raised its threshold from USD 10 million to USD 50 million in 2023.

- Wealth held abroad, including property, counts towards the threshold. The regulator decides what proof it accepts, so we confirm the documents with ADGM or DIFC before a family applies.
- An ADGM family office can still buy property in Dubai.
- Serving more than one family as a business is managing other people's money. That needs a financial licence, capital and compliance staff, and is a different undertaking from a single family office.

6. Reaching 0% corporate tax: what a family must do

There are three routes, and most families use a combination of them.

Route 1. The family office company: become a Qualifying Free Zone Person

- Be set up in a free zone such as DIFC or ADGM.
- Have **adequate substance** there: real people, a real office and real decision-making, not a mailbox.
- Earn **qualifying income**. For a family office, this means wealth management, investment management or fund management income that is **under the oversight of a recognised UAE regulator** (DFSA in DIFC, FSRA in ADGM). Simply holding a free zone licence is not enough.
- Do not elect to be taxed at 9%.
- Comply with transfer pricing rules and keep audited accounts.
- Stay within the **de minimis limit** for non-qualifying income: the lower of 5% of revenue or AED 5 million.

A practical gap: a pure single family office needs no financial licence, but the 0% rate on its fees requires regulatory oversight. In practice, many single family offices therefore pay 9%, but only on their profit above AED 375,000, which is usually small because the fees are roughly matched by costs. The 0% that matters sits in the foundation (route 2).

Route 2. The assets: hold them in a family foundation

- An eligible UAE family foundation can apply to the Federal Tax Authority under Article 17 of the Corporate Tax Law to be treated as tax transparent. If approved, it is not taxed in its own right.
- Since Ministerial Decision 261 of 2024, this treatment can extend to companies the foundation wholly owns and controls.
- Income is then treated as the income of the family members, who as UAE resident individuals pay no personal tax.
- Individuals transferring personal investments or real estate into the foundation pay no corporate tax on the transfer.
- The family office company itself generally cannot use this route; it is for the foundation that holds the wealth.

Route 3. Holding companies: participation exemption

- Qualifying dividends and capital gains from qualifying shareholdings can be received without UAE corporate tax, generally where at least 5% is held for 12 months or more.

Check first: Pillar Two

- Family groups whose combined businesses have revenue above EUR 750 million can be caught by the 15% global minimum tax, which tops up the 0% rate to 15%.

7. The route that is closed: Qualifying Investment Funds

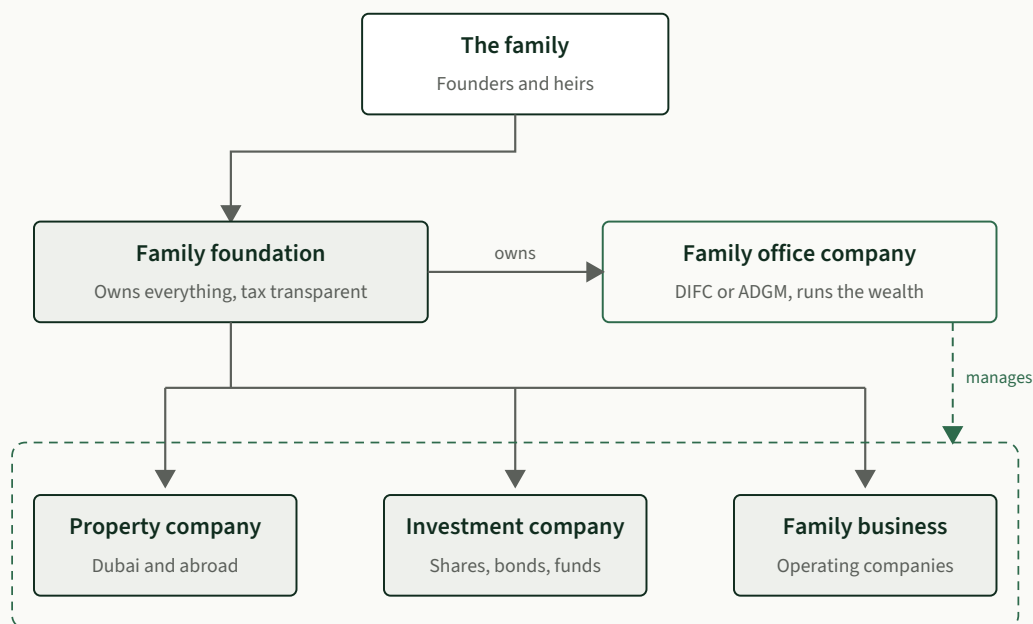
- UAE tax law has a special 0% category for investment funds, called Qualifying Investment Funds.
- To qualify, a fund must be regulated and open to many outside investors, with its interests traded on an exchange or widely marketed, and no single investor or small group owning most of it.
- A single family office is owned by one family and manages only that family's money, so it fails that test automatically.
- A family therefore cannot argue that its family office is really a fund and should pay 0%. That is why families use routes 1 and 2 instead: the free zone family office for the fees, and the family foundation for the assets.

8. The family foundation explained

- A family foundation is a **separate legal entity set up in the UAE**, usually in DIFC, ADGM or RAK ICC (Ras Al Khaimah).
- It owns assets on behalf of the family and has **no shareholders**. It works like a trust, but it is a body in its own right.
- It has a **charter** (the rules), a **council** (who runs it) and **beneficiaries** (the family).
- If approved under Article 17, it is tax transparent: the foundation itself pays nothing (route 2).
- It is also a succession tool: the charter sets out who receives what, and when, under rules the family chooses.
- **RAK ICC**, the Ras Al Khaimah registry for foundations and holding companies, is often a lower-cost option than DIFC or ADGM for the foundation and the holding companies, while the family office itself sits in DIFC or ADGM.

9. How a single family office is structured

The typical set-up: a family office company in DIFC or ADGM running the wealth, with a family foundation above the holding companies that own the assets.



Dark green: ownership. Lighter green: management. Dashed area: managed by the family office for a fee.

- **The foundation owns, the family office manages.** Ownership and management are kept separate on purpose.
- **Foundation:** holds the shares of everything, including the family office company. It is tax transparent, so profits are treated as the family's own, and individuals in the UAE pay no personal tax.
- **Holding companies:** one per asset type (property, investments, operating businesses), so each risk is ring-fenced. Dividends and gains passed up to the foundation can also use the participation exemption.
- **Family office company:** the staff, the office and the decisions. It charges management fees, taxed at 0% only if it is a Qualifying Free Zone Person under DFSA or FSRA oversight.
- **Why the split matters:** if the family office also owned the assets, all the investment income would sit inside a company exposed to 9%.

For a smaller family, regulated status in DIFC or ADGM costs real money each year. Many therefore accept 9% on the modest fee profit of the office and keep the 0% where it matters, at foundation level.

10. When the tax is zero, and its limits

The tax can be zero, provided three things hold:

- **The foundation** is approved by the Federal Tax Authority as tax transparent under Article 17.
- **The family office** qualifies for 0%: free zone, regulated, real substance, within the de minimis limit. If it does not, it pays 9% only on its profit above AED 375,000.
- **The family is under the Pillar Two threshold** of EUR 750 million in group revenue; above it, a 15% floor applies.

Two limits

- **Assets abroad** are still taxed where they sit. Rental income from a flat in London or Romania pays tax there, whatever the UAE structure.
- **Family members must genuinely be UAE tax resident.** If they still count as resident in their home country, that country can tax them on the foundation's income. Breaking residence means days spent, home, family and business ties, and a UAE tax residency certificate.

11. Family members living abroad: the London example

Example: a father and mother who hold the wealth, and three children. Two children live in Dubai; one lives in London. Not everyone has to be UAE resident. The 0% at UAE level works regardless; what changes is how each family member is taxed in their own country.

The parents (the founders) in Dubai

- They put the money in and they live here, so this is where the structure works best. Their position must be solid, with genuine UAE tax residence.

The two children in Dubai

- No tax on anything they receive from the foundation.

The child in London

- The foundation does not become taxable in the UK just because one beneficiary lives there.
- The child is taxed in the UK when money reaches them. A payment from the foundation is likely to be taxed as income, at up to 45%. If nothing is paid to them, there is usually nothing to tax.

- Since April 2025 the UK no longer has the non-dom regime, so the child cannot shelter foreign income by keeping it offshore once they have been UK resident for more than four years.
- UK inheritance tax: once they have lived in the UK for ten of the last twenty years, their worldwide estate is exposed to 40%, including what they inherit personally.

Three practical rules for the child in London

- Do not make them a founder, and do not let them put their own money into the foundation. That brings in much harsher UK rules.
- Do not make them a council member of the foundation or a director of the family office. If decisions are taken from London, the UK tax authority (HMRC) can argue that the entity itself is UK resident, which puts the whole structure at risk. This is the biggest danger.
- Plan payments to them deliberately, for example by timing them or making them while the child is not UK resident.

In short: the structure stays at 0%, and the child in London pays UK tax only on what they actually receive, provided they are kept out of control of the structure. The exact UK treatment depends on whether HMRC treats the foundation as a company or as a trust, so we recommend confirming this with a UK tax adviser before any payment is made.

12. Residence and banking

Golden Visa

- Investors and property owners can qualify for the UAE Golden Visa, a ten-year renewable residence visa. The property route requires one or more properties with a total value of at least AED 2,000,000.
- Since February 2026, eligibility is based on the property's value, not on the amount already paid, so mortgaged and off-plan properties also qualify. A mortgage needs a bank no objection certificate.
- The holder can sponsor a spouse and children of any age, so the founders' residence can cover the family.
- Residence is the first step towards UAE tax residence, but on its own it is not enough: the family must also live here and cut ties with the home country (section 10).

Bank accounts

- Opening accounts for the family office, the foundation and the holding companies usually takes longer than incorporation itself. We plan extra weeks for it.
- Banks focus on source of wealth, so the same evidence prepared for the registry (section 13) is reused here.

13. What the family needs to prepare

Most delays come from evidence, not from the forms. Having these ready shortens the process.

- **Identity:** passports and proof of address for the founders and for everyone who will be a director, council member or beneficiary.
- **Family relationships:** a family tree with supporting documents such as birth and marriage certificates, to prove that the office serves a single family.
- **Proof of net assets:** bank and investment statements, title deeds, recent valuations and company accounts, wherever the assets are held.
- **Source of wealth:** a short written account of how the wealth was created, with supporting documents.

- **Business plan:** what the family office will do, who will run it and where decisions will be taken.
- **Foundation decisions:** who the founders, council members and beneficiaries will be, and the main rules for the charter.

14. Timeline and indicative costs

When	What happens
Weeks 1 to 2	The family confirms it wants to proceed, gathers the evidence in section 13, and we prepare the business plan.
Weeks 2 to 4	Applications are filed with ADGM or DIFC, and with RAK ICC if used, directly or through a corporate services provider.
Weeks 3 to 12	Approval and incorporation. Most delay comes from evidencing assets and family relationships.
After incorporation	Directors and council are appointed, and bank accounts are opened. Extra weeks are allowed for the bank.
Then	The structure is in operation; property acquisition goes through a licensed Dubai brokerage.
Realistic total	About three months from the family's decision to the first purchase.

Cost item	Indicative figure
ADGM single family office	USD 5,600 to set up, USD 5,300 a year
ADGM foundation	About USD 800 to 1,000 to set up, USD 500 a year
Annual running cost, ADGM	USD 10,000 to 20,000
Annual running cost, DIFC	USD 15,000 to 30,000
Corporate tax on the family office	0% if it qualifies; otherwise 9% on profit above AED 375,000

Figures are taken from published 2026 summaries of the ADGM and DIFC regimes and are indicative. We confirm current fees with the registry before a family commits. Our own advisory fees are agreed separately with each family.

15. How we work with families

What we do

- Design the structure: family office, foundation and holding companies, and where each one sits.
- Choose the centre, ADGM or DIFC, and RAK ICC where it lowers cost.
- Prepare the business plan and organise the evidence the registry and the banks will ask for.
- Coordinate the registry, corporate services providers, lawyers and tax advisers, so the family deals with one point of contact.
- Support bank account opening and Golden Visa applications.
- Introduce the family to the Ras Al Khaimah Economic Zone for any operating companies it needs, and stay involved until each one is set up and running.
- Advise on property strategy, with property acquisition through a licensed Dubai brokerage.
- Provide ongoing reporting and an annual review of the structure.

Independence

Where a registry, corporate services provider or other partner pays us an introduction fee, we tell the family before it proceeds.

Confidentiality

We never disclose the names of the families or individuals we work with, or any details of their affairs, to anyone outside the engagement.

Specialist advice

Where a point needs a regulated tax or legal opinion, in the UAE or in another country where a family member lives, we arrange it with a qualified adviser and coordinate the answer.

16. Questions and answers

Does wealth held outside the UAE count towards the threshold?

Yes. Both ADGM and DIFC look at the family's total net assets, including property and businesses abroad. The regulator decides what proof it accepts.

Do all family members have to move to the UAE?

No. The structure works at UAE level regardless. The founders should be genuinely UAE resident; members living elsewhere are taxed in their own country on what they receive (section 11).

Can an ADGM family office buy property in Dubai?

Yes. A family office set up in ADGM can own property in Dubai's freehold areas, which include the communities most international buyers choose. The property is held through the family's property company, which is registered with the Dubai Land Department as part of the set-up. This is also why property sits in its own company rather than in the foundation.

Is the structure tax free?

It can reach 0% in the UAE if the conditions in sections 6 and 10 are met. Assets abroad are still taxed where they sit, and family members abroad are taxed where they live.

How long does it take?

About three months from the family's decision to the first purchase, mostly driven by the evidence of assets and family relationships.

Can one family office serve several families?

Not as a single family office. Serving several families as a business needs a financial licence, capital and compliance staff.

Who will know about our affairs?

Only the parties needed for the engagement, such as the registry, the bank and the advisers. We never disclose the families we work with.

17. Checklist

Step	What the family does
1	Confirm total net assets and choose the centre: ADGM from USD 10 million, DIFC from USD 50 million.
2	Check the Pillar Two position if group revenue is near EUR 750 million.

Step	What the family does
3	Prepare the evidence in section 13.
4	Set up the family foundation (DIFC, ADGM or RAK ICC) and apply for tax transparency under Article 17.
5	Place the assets in holding companies wholly owned by the foundation.
6	Set up the family office company in DIFC or ADGM, owned by the foundation.
7	Decide whether the family office seeks regulation for 0% on its fees, or accepts 9% on its small profit.
8	Give the office real substance: staff, an office, decisions in the UAE, audited accounts, transfer pricing.
9	Make sure the founders are genuinely UAE tax resident and hold tax residency certificates.
10	Keep family members abroad out of control roles, and take local tax advice before paying them.
11	Review the structure every year: renewal conditions, de minimis limit and each member's residence.

18. Next step

To discuss a family's position, reply by email with a short description of the family, where its wealth is held and where its members live. We answer in writing, and arrange a call if one is ever needed.

Email: info@ashmontpinnacle.com

Mobile: +971 58 600 4911

Website: ashmontpinnacle.com



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