

# Family Foundations in UAE

**MICS**

Comprehensive Financial Services



# Our Tax Team



**Sheetal Soni, CA, CFA**  
**Partner**



**Prateek Tosniwal, FCA**  
**Partner**



**Karishma B Suwarnakar, CA**  
**Tax Manager**



**Kushal Kumar, CA**  
**Tax Consultant**



**Saurav Kalkal, ACCA**  
**Tax Associate**

# Our Management Team



**CA Shubhangi Tosniwal**  
Head of Audit

Shubhangi is a subject matter expert in the fields of Auditing and Finance. During her career, she has actively contributed to various projects, including conducting statutory audit, tax Audit and limited reviews for publicly-listed companies from sectors like Banking, textile, real estate, marketing and service enterprises.

Her diligent approach to internal auditing has contributed to the streamlining of organizational processes, the identification of control deficiencies, and the improvement of governance structures.



**Natasha Gupta**  
Head of Human Resources

Natasha is heading Human Resource department and assist senior management in managing HR policies, programs and in meeting the company's strategic requirements.

She is a commerce graduate and has experience in developing recruitment strategies, overseeing staff benefits, and more



**CA Karishma Suwarnakar**  
Head of Direct Tax

Karishma is a Chartered Accountant with 5+ years experience in Accounting, Taxation Audits. She is heading Corporate Taxation department along with assistance to clients on Transfer Pricing and International Tax Advisory and Structuring. She has been delivering strategic tax solutions and optimizing financial outcomes for businesses of all sizes. Karishma has an extensive experience of dealing with clients from various freezones like DIFC, ADGM, JAFZA etc



**CA Tarun Agarwal**  
Head of Accounts and Taxation

Tarun is a highly skilled professional who specializes in conducting independent and objective assessments of an organization's financial records, internal controls, and compliance with applicable laws and regulations. Tarun has led various tax and compliance related projects for entities from industries like Oil and gas, Environmental Consultancy Services, IT services etc.

# Our Management Team



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**CA Rajvi Jariwala**  
Financial Analyst

Rajvi is a highly skilled and accomplished Chartered Accountant with more than 4 years of experience in various domains of accounting, auditing and finance. Her expertise lies in Valuation, Financial modeling and strategic advisory. She brings rich experience of IT, Steel Industry, General Trading, Real Estate, Textiles, Manufacturing industries.



**CA Siddharth Singhvi**  
Manager - Audit

Chartered accountant with 5 years of expertise in statutory audits, internal audits & corporate financing . Currently working as a professional consultant advising clients on the global structuring, international taxation advisory & Conducting statutory & internal audits for clients across the Middle East & India in different sectors such as precious metals, Oil & Gas, Service industries, Real estate.



**Dr. Dimple Bhojwani**  
Head Of M&A Strategic Advisory

As a highly accomplished financial analyst with a doctorate degree, she bring a wealth of expertise and academic rigor to the world of finance. With a strong foundation in economic theory and a commitment to data-driven decision-making, she have consistently delivered outstanding results in her role. Her analytical skills, honed through years of experience, have allowed her to navigate the complexities of financial markets with precision and insight.



**CA Samisha Ambre**  
Head Of Debt Advisory

Samisha is high skilled with 3 years work experience which includes advising multiple listed entities on optimizing their capex and working capital spends. Currently she is working on valuations, feasibility study, M&A transactions spanning across GCC and in different sectors such as Packaging, Pharma, Service industries and Real estate.

# Our Executive Team



Linomon K L



CMA Shamil V K



CMA Jassim  
Karim



CMA Arshad VM



CMA Sabik Mon MT



Muhammed Yasir Minhaj M



Umer Farooq



Haifa Haris

# Our Executive Team



Muhammed Shamlan



Nibin Benny



Pushpa Naik



Remya Sahadeven



Aquila Noel



Vivek Kumar Dubey



Mary Grace Sigue

# WHAT WE DO



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PRO



Banking Services



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Audit And  
Assurance



Corporate Tax &  
International Tax Advisory



Corporate Financial  
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Technology Services



Startup Investing  
& Advisory

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The following webinar is presented by a tax professional and is based on our understanding of tax laws and regulations as of the knowledge as on current date. While we strive to provide accurate and reliable information, we cannot guarantee the completeness or accuracy of the content presented during this webinar. Tax laws can be complex and may vary depending on the specific circumstances and jurisdiction. Therefore, it is essential to conduct independent research and consult the relevant tax authorities to ensure that you have the most current and accurate information. By participating in this webinar, you acknowledge and agree that we shall not be held responsible for any errors, omissions, or damages arising from the use of the information provided. We disclaim any liability for any actions taken or decisions made based on the content of this webinar. Thank you for your understanding.



# Our Webinars/Seminars/Staff Training



19 MAY, 2022

Understanding Public Consultation Document



23 JUNE, 2022

Understanding UAE CT with SME souk



19 DEC, 2022

UAE CT Law Simplified (Federal Decree Law)



25 MAY, 2023

Unravelling UAE CT



14 JUNE, 2023

UAE CT: Taxability of Free Zone entities



10 AUG, 2023

UAE CT: Simplifying freezone taxation



17 AUG, 2023

UAE CT: "Revaluation of Assets/Liabilities"

# Our Webinars/Seminars/Staff Training



26 AUG, 2023

Seminar at Abu Dhabi  
with ICAI Dubai  
Chapter/Khaleej Times



31 AUG 2023

UAE CT Fund and Fund  
Manager Taxation



2 SEPT, 2023

Staff Training for  
Shipping industry



14 SEPT, 2023

Decoding UAE CT In  
partnership with  
*Tally Solutions*



15 SEPT, 2023

Staff Training for  
real estate  
industry



27 SEPT, 2023

Simplify UAE CT In  
association with *Dubai  
eye & EY*



21 DEC, 2023

Natural Person  
Taxation



21 JAN, 2024

Taxation on Tax  
Groups under UAE  
CT

# Our Videos/Webinars on Corporate Tax

## Part 1 - Taxable Persons & Basis of Taxation

• <https://youtu.be/Tp9fKHQaTn8>

## Part 2 - Exempt Persons & Free Zone Persons

• <https://youtu.be/17-BpTYJL8E>

## Part 3 - Calculation of Taxable Income

• <https://youtu.be/HKhc3OWzq44>

## Part 4 - Transfer & Set Off of Losses and Calculation of Corporate Tax Liability

• <https://youtu.be/qcZg5wDM5FE>

## Part 5 - Groups & Tax Groups

• <https://youtu.be/f4rJmR89WEQ>

## UAE Corporate Tax Simplified (Public Consultation Document)

• <https://youtu.be/O5KdVbETdo4>

## SMEsouk presents Webinar on Corporate Tax

• <https://youtu.be/8C9Ta0hp0kQ>

## UAE CT Law Simplified (Federal Decree Law)

• <https://youtu.be/1GABzmHg64c>

## UAE CT Law : Revaluation of Assets & Liabilities

• <https://youtu.be/zQL2dsK-IFc>



# UAE CT Opinion Articles in Newspapers

**11 Sep 2023** Impact of corporate tax on real estate investors in the UAE

↳ [www.khaleejtimes.com/business/impact-of-corporate-tax-on-real-estate-investors-in-the-uae](http://www.khaleejtimes.com/business/impact-of-corporate-tax-on-real-estate-investors-in-the-uae)

**18 Sep 2023** Impact of corporate tax on Investment funds investment managers and investors

↳ [www.khaleejtimes.com/business/impact-of-corporate-tax-on-investment-funds-investment-managers-and-investors](http://www.khaleejtimes.com/business/impact-of-corporate-tax-on-investment-funds-investment-managers-and-investors)

**25 Sep 2023** Impact of corporate tax on freezone entity

↳ [www.khaleejtimes.com/business/uae-impact-of-corporate-tax-on-free-zone-entities](http://www.khaleejtimes.com/business/uae-impact-of-corporate-tax-on-free-zone-entities)

**2 Oct 2023** Impact of corporate tax on manufacturing companies

↳ [www.khaleejtimes.com/business/impact-of-corporate-tax-on-manufacturing-companies](http://www.khaleejtimes.com/business/impact-of-corporate-tax-on-manufacturing-companies)

**23 Oct 2023** Exempt Income

↳ <https://www.khaleejtimes.com/business/exempt-income-provisions-under-uae-corporate-tax>

**26 Oct 2023** Tax Groups

↳ [www.khaleejtimes.com/business/impact-of-corporate-tax-on-real-estate-investors-in-the-uae](http://www.khaleejtimes.com/business/impact-of-corporate-tax-on-real-estate-investors-in-the-uae)



# UAE CT Opinion Articles in Newspapers

**31 Oct 2023** **Transfer Pricing and arms Length Principle, Documentation**

[www.khaleejtimes.com/business/navigating-global-business-the-art-of-transfer-pricing-and-the-arms-length-principle](http://www.khaleejtimes.com/business/navigating-global-business-the-art-of-transfer-pricing-and-the-arms-length-principle)

**5 Nov 2023** **Commodity traders in UAE**

[www.khaleejtimes.com/business/exciting-news-for-commodity-traders-in-the-uae-on-corporate-taxation](http://www.khaleejtimes.com/business/exciting-news-for-commodity-traders-in-the-uae-on-corporate-taxation)

**11 Nov 2023** **UAE's single-digit corporate tax regime: Redefining global standards for fiscal efficiency**

[www.khaleejtimes.com/business/uaes-single-digit-corporate-tax-regime-redefining-global-standards-for-fiscal-efficiency](http://www.khaleejtimes.com/business/uaes-single-digit-corporate-tax-regime-redefining-global-standards-for-fiscal-efficiency)

**10 Dec 2023** **MNE Taxation**

[www.khaleejtimes.com/business/beyond-borders-unpacking-the-impact-of-corporate-tax-on-multinationals-in-the-uae](http://www.khaleejtimes.com/business/beyond-borders-unpacking-the-impact-of-corporate-tax-on-multinationals-in-the-uae)

**19 Dec 2023** **Accounting standards**

[www.khaleejtimes.com/business/decoding-accounting-standards-insights-for-modern-businesses](http://www.khaleejtimes.com/business/decoding-accounting-standards-insights-for-modern-businesses)





The only certain things in life are  
death and taxes!

~ Benjamin Franklin

AZ QUOTES

# Topics Covered

**In this Webinar we will understand about**

- Overview of Foundations
- What is a Foundation
- Importance of a Foundation
- Where to set up a Foundation
- In name Ownership v/s Company v/s Foundation: Benefits
- Foundation v/s Trust v/s Company: Roles & Concepts
- Key Roles under Foundation
- Foundation structure under DIFC v/s ADGM v/s RAKICC
- Taxability under UAE CT



**Perspective: Dubai International Financial Centre (DIFC)**

# Overview of a Foundations

**Introduction to Foundation Structure :** Foundations were introduced in the UAE in 2018 through DIFC Law No. 3 of 2018, offering flexibility for succession planning and wealth management, particularly beneficial for GCC families.

**Foundation Essentials :** Foundations, unlike trusts, are independent legal entities derived from civil law systems. The founder endows assets to the foundation, which holds them separately and is managed by its council according to its charter and by-laws for specific causes, beneficiaries, or purposes

**Utilizing Foundations:** Foundations are versatile tools used for family wealth planning, philanthropy, business holdings, and asset protection

**Three major jurisdiction offering foundation structures in UAE:** DIFC, ADGM and RAKICC

**DIFC Foundations :** The DIFC Foundations Law aims to establish robust family governance structures, drawing inspiration from leading jurisdictions and offering advantages such as property ownership rights, exemption from foreign laws, migration flexibility, and private arbitration options.



# Panel Discussion

## Panelist



**Sheetal Soni, CA, CFA**  
**Partner**



**Praveen Jain, CA, CFA**  
**SVP Investments**  
**VAMM SFO**

## Moderated By



**Prateek Tosniwal, FCA**  
**Partner**

# What is a Foundation?

An independent legal entity that holds assets separately from the Founder's personal assets.

Generally used in civil law jurisdictions. Few common law jurisdictions have also adopted foundations\*

It has functions like a company and trust.  
It is independent legal entity, like a company and has defined objective/purpose or beneficiaries, like a trust.

Is an orphan structure. No ownership at top



*\*Interestingly, UAE is a civil law country, while DIFC has common law framework*

# Importance of a Foundation



Protection of family assets and heirlooms



Effective succession planning



Family governance



Privacy for beneficiaries



Charity and/or philanthropic purposes

# Individual v/s Company v/s Foundation : Benefits

Particulars	Individual	Company	Foundation
<b>Asset Protection (creditor action)</b>	No	Limited (Shares exposed)	Yes
<b>Probate (After Owners demise)</b>	Yes	Yes (for Shares)	No
<b>Legacy Planning (Asset vs Income Transfer to next generation)</b>	No	No Shares subject to Probate	Smooth Intergenerational Transfer
<b>Regulatory Regime</b>	UAE Applicable Personal law	UAE Applicable Personal law – for Company shares held by individual except DIFC/ADGM Companies	DIFC/ADGM/RAK ICC
<b>Asset Consolidation</b>	No	Yes	Yes
<b>Flexibility re operations</b>	Absolute	Absolute (Through BOD)	Absolute during Founder lifetime. As per Bylaws after Founder
<b>UAE Corporate Tax</b>	None	Depends on FZ vs Non FZ	Pass-through

# Foundation v/s Trust v/s Company: Roles & Concepts

Particulars	Foundation	Trust	Company
<b>Owner transferring Capital/Assets</b>	Founder	Settlor	Shareholder
<b>Decision Makers</b>	Council Member	Trustee	Director
<b>Protection</b>	Guardian	Protector	N.A
<b>Constitution Document</b>	Charter and By-Laws Letter of Wishes	Trust Deed Letter of Wishes	MOA and AOA
<b>Ownership of Assets</b>	In Foundation name	In Trustee Name	In Company Name

# Key Roles under Foundation

## Founder

- Sets up the Foundation and transfers assets. Multiple founders allowed.

## Council Members

- Minimum 2 required. They administer the Foundation's objectives and can be individuals or entities.

## Guardian

- Has the power to replace the council. Cannot be a council member. Assumes significance after the founder's death. Optional for Family Foundation.

## Qualified Recipient

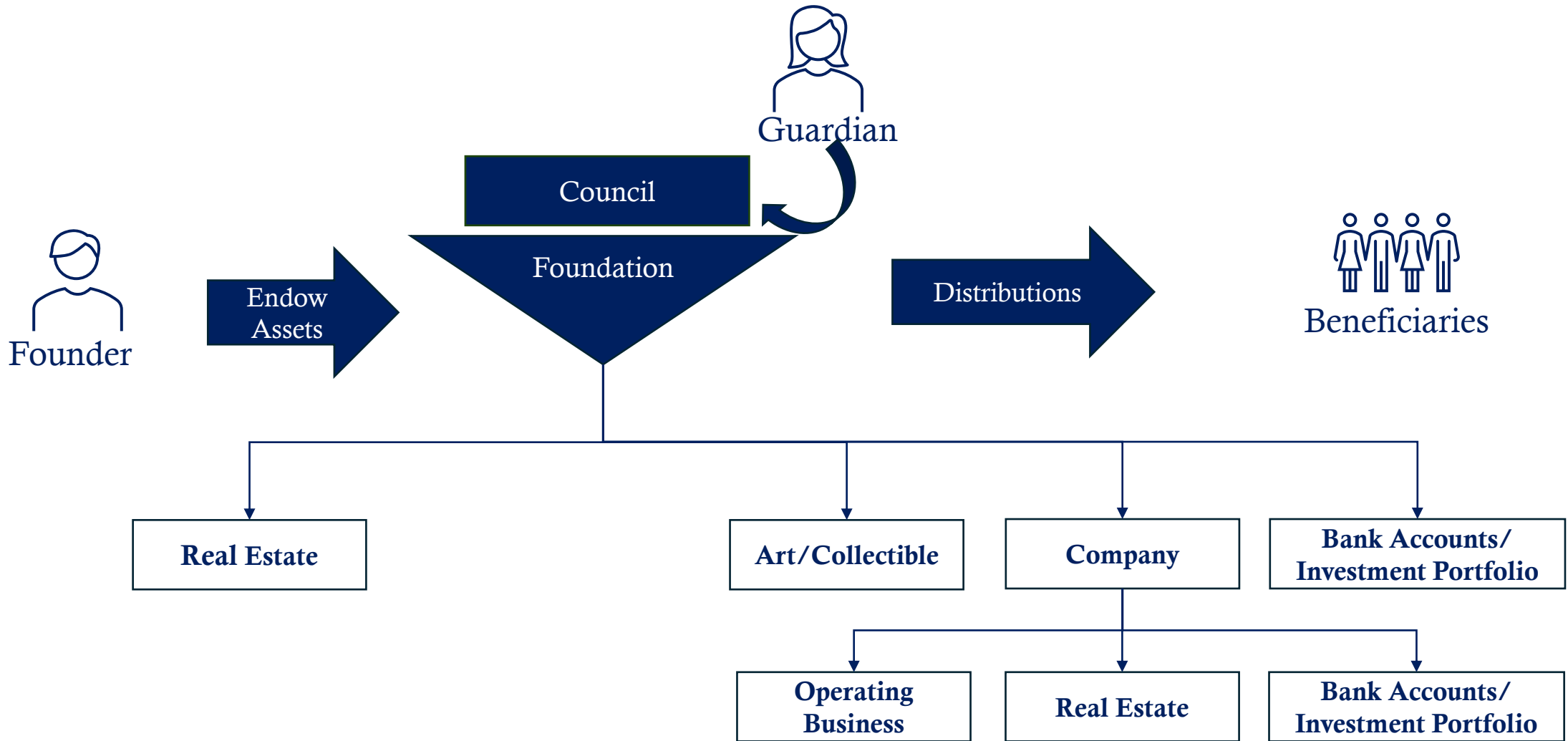
- A Person (includes unborn) who is entitled to distribution from the Foundation.

## Default Recipient

- Person to whom the property transfers if the Foundation terminates.

\* **Constitution documents** : Include Charter, By-Laws, and Letter of Wishes.

# Foundation Structure



# Foundation structure under DIFC v/s ADGM v/s RAKICC

Particulars	DIFC	ADGM	RAKICC
<b>Minimum Council Members</b>	Two	Two	Two
<b>Registered Agent</b>	Optional Physical Presence	Optional Physical Presence	Mandatory Physical Presence
<b>Ownership of Real Estate</b>	Permitted: Dubai Properties	Permitted: Dubai & Abu Dhabi Properties	Permitted: Dubai Properties
<b>Arbitration Provisions</b>	Yes	No	Yes
<b>Reserved Powers for Founders and/or Guardians</b>	Yes	Yes	Yes
<b>Lifespan</b>	Can continue in perpetuity	Can continue in perpetuity	Can continue in perpetuity
<b>Conversion of a Company to a Foundation</b>	Yes	No	Yes



# Taxability under UAE CT

Family Foundations can apply to be treated as Unincorporated Partnerships for tax purposes if following conditions are met :-

1. Established for the benefit of natural persons or a public benefit entity
2. Primarily managing assets or funds
3. Not conducting business activities
4. Not primarily aiming to avoid taxes

**If conditions are met :**  
**Tax @ 0%**

**If Conditions are not met :**  
**Tax @ 9%**



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# Q & A

## Session



# Contact Us



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# Thank you!



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