

In this document underlining indicates new text and striking through indicates deleted text.

Dubai International Financial Centre
Single Family Office Regulations
(SFO Regulations)

DIFC: Family Office Project

Single Family Office Regulations

The following Regulations have been repealed and amended as follows:

SFO 3 Setting up a Single Family Office in the DIFC

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SFO 3.2 Authorised Representative

- (a) Each Single Family Office must designate an Authorised Representative.
- (b) It must do so by completing and filing with the Registrar the appropriate form.
- ~~(c) Each Single Family Office must ensure its Authorised Representative carries out and is responsible for all of its anti money laundering responsibilities set out in SFO Regulation 4.~~
- (d) The Authorised Representative shall be the point of contact between the Registrar and the Single Family Office.
- (e) The Authorised Representative must be ordinarily resident in the U.A.E.
- (f) If the Authorised Representative leaves the employment of the Single Family Office or otherwise ceases to act as Authorised Representative, the Single Family Office must designate a successor and notify the Registrar by completing and filing with the Registrar the appropriate form within 28 days.
- (g) The Single Family Office must ensure that its Authorised Representative is of sufficient seniority within the Single Family Office to enable him to:
 - (i) act on his own authority;
 - (ii) have direct access to senior management of the Single Family Office ;
 - (iii) have access to sufficient resources to fulfill his responsibilities; and
 - (iv) have unrestricted access to information the Single Family Office has about its Single Family Office Clients.

SFO 4 ~~Anti money laundering provisions~~ Responsibilities of the Authorised Representative

SFO 4.1 Obligations

- (a) ~~— A Single Family Office shall have policies, procedures, systems and controls in place to ensure compliance with U.A.E. Federal Law No.4 of 2002 regarding Criminalization of Money Laundering, Federal Law No.1 of 2004 on Combating Terrorism Offences and any other related Federal laws.~~
- (b) ~~— The Authorised Representative designated under SFO Regulation 3.2 will be directly responsible for the compliance by the Single Family Office with the applicable anti money laundering legislation contained in this SFO Regulation 4.~~

SFO 4.2 1 Role of Authorised Representative

The Single Family Office must ensure that its Authorised Representative is responsible for ~~all of its anti money laundering activities carried on in or from the DIFC and must ensure that its Authorised Representative carries out and is responsible for:~~

- (a) ~~— acting as a point of contact within the Single Family Office for competent U.A.E. authorities and DIFCA regarding anti money laundering issues;~~
- (b~~a~~) obtaining and keeping appropriate records to substantiate the fact that the Single Family Office is providing services only to a Single Family in accordance with SFO Regulation 2.4; and
- (e~~b~~) responding promptly to any request for information made by competent U.A.E. authorities or the Registrar.

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SFO 4.4 Guidance

- (a) ~~— The records maintained by the Authorised Representative pursuant to SFO Regulation 4.4 should be kept in such a manner that the Single Family Office can satisfy (to the extent it is required to do so), within an appropriate time, any regulatory enquiry or court order to disclose information.~~
- (b~~a~~) The Authorised Representative need not obtain Identification Data in relation to every Single Family Office Client who is an individual but in order to understand issues of legal and beneficial ownership and control and in order to comply with the requirement to submit an SFO Annual Return should consider (on a risk-sensitive basis) whether it is appropriate to obtain identification records in relation to any Single Family Office Client who:
 - (i) is a settlor in relation to any fiduciary structure;

- (ii) acts as trustee, protector or enforcer of, or holds any fiduciary power in relation to, any trust or other similar entity or holds power to appoint or remove any trustee, protector or enforcer;
 - (iii) is a director or alternate director of any Body Corporate which acts as trustee, protector or enforcer of, or holds any fiduciary powers in relation to, any trust or other similar entity;
 - (iv) holds any power of appointment (whether general or special) or power of revocation or direction over the assets (or the income thereof) of a trust or other similar entity;
 - (v) receives a benefit from, as a beneficiary of, any trust or other similar entity;
 - (vi) is a director or alternate director or partner of, or otherwise controls, any entity or business; or
 - (vii) is a Politically Exposed Person.
- (eb) In relation to any Single Family Office Client which is a trust or other similar entity, any other entity or business, the Authorised Representative should obtain sufficient information to enable him to understand its legal and beneficial ownership and control and how it relates to the Single Family. This may require the Authorised Representative to obtain Identification Data about individuals who fall within the categories set out in SFO Regulation 4.4 (b) (i) to (vii) above.

Appendix 1 Application to establish a Single Family Office

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A1.3 SFO Annual Return

The SFO Annual Return which the Authorised Representative is required to file in accordance with SFO Regulation 3.3 shall confirm that there have been no material changes in the operation of the Single Family Office since its establishment or since the last SFO Annual Return; and shall contain the following:

- (a) confirmation that the Single Family Office continues to provide services solely to a Single Family;
- (b) confirmation that there has been no material change in the legal and beneficial ownership of the Single Family Office or where there has been such a change an explanation as to the legal and beneficial ownership of the Single Family Office and an explanation of who controls the Single Family Office;
- ~~(c) confirmation that the Single Family Office is fully compliant with the Anti Money Laundering regime for Single Family Offices contained in SFO Regulation 4;~~
- ~~(d)~~ confirmation that the total number of Family Members to be served by the Single Family Office has not changed or, where it has, provide details of the change;
- ~~(e)~~ confirmation as to whether any Single Family Office Clients are Politically Exposed Persons¹ ;
- ~~(f)~~ confirmation that the categories of services to be provided by the Single Family Office have not changed or, where they have, provide details of the change;
- ~~(g)~~ confirmation that the Single Family Office Clients are aware that the Single Family Office is not regulated by the DFSA; and
- ~~(h)~~ confirmation that the Single Family Office is able to satisfy its liabilities as they fall due and the Single Family continues to maintain investable/liquid assets in excess of US\$10 million.

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¹ The DIFC Registrar of Companies may request additional information in relation to any Politically Exposed Persons.