

ADGM FOUNDATIONS

Abu Dhabi Global Market (“ADGM”) is established pursuant to Abu Dhabi Law No. 4 of 2013 as a financial free zone in the Emirate of Abu Dhabi, with its own civil and commercial laws. ADGM offers market participants a world-class legal system and regulatory regime.

The ADGM Foundation Regulations 2017 (the ‘Regulations’) allows Foundation to be created under the laws of Abu Dhabi Global Market.

About

ADGM Foundations can be used for a variety of purposes, including but not limited to, wealth management and preservation, family succession planning, tax planning, asset protection, corporate structuring, and for public interest foundations (excluding charities).

ADGM foundations also serve as an alternative to trusts for financial planning and structuring. Robust governance features, with the Foundation Council acting in an equivalent manner to a board of directors. Council members' duties are prescribed in the ADGM Foundations Regulations.

ADGM foundations support local and international families and High Net Worth Individuals to efficiently manage their business and investment interests across multiple generations.

Legal Structures:

- Minimum of one Founder (no requirement for a Founder or Foundation’s officers to be based in the UAE or maintain residency in the UAE)
- Minimum of two members of the Council. Founder can also be appointed as Council.
- All ADGM foundations are required to have a registered office in ADGM, either itself or through its registered agent.
- An ADGM foundation can decide whether or not it wishes to appoint a registered agent.
- A foundation cannot carry out any commercial activities, other than those necessary and incidental to the objectives of the foundation.
- An ADGM foundation can decide whether or not it wishes to appoint a registered agent.

Requirements

The name of the Foundation must end with the word ‘Foundation’ and shall comply with the Business and Company Names Rules 2016 as modified from time to time.

A Foundation is required to have a Council to carry out the objects of the Foundation, manage and administer the assets of the Foundation and to do any other acts which may be required by the Charter, By-laws or under the ADGM Foundation Regulations.

It is a mandatory requirement of the Regulations that a Foundation has a valid charter at all times.

The Founder of the Foundation has such rights (if any) in respect of the Foundation and its Property.

Compliance

Every Foundation must keep adequate Accounting Records. Accounting Records are not required to be submitted to the registrar except on request.

Upon the written request of the Registrar delivered to the Foundation’s registered office, the Foundation must obtain an audit of such Accounting Records and/or accounts and returns as the Registrar may request. The results of such audit shall be delivered to the Registrar within such time period as the Registrar may specify.

There is no requirement for the annual return to be lodged with the Registrar.

For more information, please email us at info@betaconsultants.ae

Disclaimer:

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