



# PRESCRIBED COMPANY REGULATIONS

Consolidated Version No. 4

In force on 15 July 2024

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# PREScribed COMPANY REGULATIONS

The Board of Directors of the DIFCA, in the exercise of the powers conferred on them under Articles 132 and 151 of the Companies Law, hereby make these regulations.

## 1. INTRODUCTION

### 1.1 Application and interpretation

1.1.1 These Regulations may be cited as the “Prescribed Company Regulations 2024”.

1.1.2 These Regulations apply to:

- (a) every person who falls within the definition of a Prescribed Company;
- (b) every person applying for the incorporation or continuation of a Prescribed Company in the DIFC; and
- (c) the Registrar.

1.1.3 The Relevant Laws apply to a Prescribed Company unless specified otherwise in these Regulations.

1.1.4 To the extent that a Prescribed Company also qualifies as a Special Purpose Vehicle, the provisions of these Regulations shall not exempt it from any requirements resulting from any DFSA administered legislation applicable to it. To the extent any provision in these Regulations conflicts with any provision in DFSA administered legislation in respect of their application to a Prescribed Company that is also a Special Purpose Vehicle, the relevant DFSA administered provision shall prevail.

1.1.5 Defined terms are identified throughout these Regulations by the capitalisation of the initial letter of a word or phrase. Where capitalisation of the initial letter is not used, an expression has its natural meaning.

1.1.6 Any reference to enacted law or regulations, is a reference to that enactment as amended from time to time, and includes a reference to that enactment as extended, applied or otherwise amended by or under another enactment.

1.1.7 The following defined terms have the meaning given below:

Defined Term	Definition
Accounting Records	has the meaning given to the term in the Companies Law.
Affiliate	a legal entity that is under the same Control as a Prescribed Company.
AML Requirements	any requirements under applicable DIFC Law or Federal Law in relation to anti-money-laundering, counter-terrorist financing and sanctions applicable to Registered Persons in the DIFC.
Articles of Association	the articles of association of a Prescribed Company as filed with the Registrar.
Authorised Firm	a person who holds a licence from the DFSA or a Recognised Financial Services Regulator to carry on one (1) or more Financial Services, excluding a Representative Office.
Aviation Structure	a structure of one (1) or more persons having the sole purpose of facilitating the owning, financing, securing, leasing or operating an interest in one (1) or more aircraft(s) or any part(s) thereof.
Board of Directors of the DIFCA	the governing body of the DIFCA.

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<b>Defined Term</b>	<b>Definition</b>
Collective Investment Law	the Collective Investment Law, DIFC Law No. 2 of 2010.
Companies Law	the Companies Law, DIFC Law No. 5 of 2018.
Confirmation Statement	has the meaning given to the term in the Operating Law.
Control	<p>in relation to a Prescribed Company or any other person, the power to secure:</p> <p>(a) by means of the holding of shares or the possession of voting power, directly or indirectly; or</p> <p>(b) as a result of any powers conferred by the Articles of Association or other document regulating the Prescribed Company or such other person,</p> <p>that the affairs of the Prescribed Company or such other person are conducted in accordance with such person's wishes; and</p> <p>"Controlled" has a corresponding meaning.</p>
Corporate Service Provider	a person registered with the DFSA as a Designated Non-Financial Business or Profession that undertakes corporate services business in the DIFC.
Crowdfunding Platform	has the meaning given to the term in the Glossary Module of the DFSA Rulebook operated by a Crowdfunding Operator.
Crowdfunding Operator	a person authorised under a licence issued by the DFSA to operate a Crowdfunding Platform.
Crowdfunding Structure	a structure of one (1) or more persons established for the purpose of holding the asset(s) invested into through a Crowdfunding Platform.
Decision Making Procedures	has the meaning given to the term in the Operating Law.
DFSA	the Dubai Financial Services Authority.
DIFCA	the Dubai International Financial Centre Authority.
Director	has the meaning given to the term in the Companies Law.
Domestic Fund	has the meaning given to the term in the Collective Investment Law.
Employee	has the meaning given to the term in the Employment Law, DIFC Law No. 2 of 2019.
Financial Service	any financial activity prescribed by applicable law in the DIFC or a Recognised Jurisdiction as constituting a financial service.
Foreign Fund	has the meaning given to the term in the Collective Investment Law.
Fund	<p>a collective investment scheme that is either:</p> <p>(a) a Domestic Fund; or</p> <p>(b) a Foreign Fund domiciled in a Recognised Jurisdiction.</p>
Fund Manager	the person who is legally accountable for the management of the Fund and includes a person who establishes, operates or winds up a Fund.
GCC Member State	each of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

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<b>Defined Term</b>	<b>Definition</b>
GCC Registrable Asset	<p>an asset or property interest that must be registered with a GCC Authority to establish legal ownership, secure rights, or encumbrances against it, and to provide public notice of such interests, including:</p> <ul style="list-style-type: none"> <li>(a) land and real property;</li> <li>(b) shares in companies;</li> <li>(c) partnership interests;</li> <li>(d) intellectual property; and</li> <li>(e) aircraft and Maritime Vessels.</li> </ul>
GCC Authority	a government, ministry, department, body, authority, designated agency or a securities exchange regulated by a financial services regulator of a GCC Member State, with statutory authority to maintain a registry for recording legal ownership of assets or interests therein in a GCC Member State.
GCC Person	<p>each of:</p> <ul style="list-style-type: none"> <li>(a) a natural person who is a citizen of a GCC Member State;</li> <li>(b) a body corporate or body unincorporate, including a company, partnership, or unincorporated association, that is Controlled by one (1) or more natural persons who is a citizen of a GCC Member State;</li> <li>(c) a body corporate that has any class of its securities listed on a securities exchange in the GCC; or</li> <li>(d) a Government Entity.</li> </ul>
General Partner	the general partner of a Fund established as a limited partnership.
Government Entity	<p>any of the following:</p> <ul style="list-style-type: none"> <li>(a) the Federal Government, the government of Dubai or the government of any Emirate;</li> <li>(b) a person in which a government entity listed in (a) above owns (directly or indirectly) an interest of at least twenty five percent (25%) (or such other percentage approved by the Board of Directors of DIFCA); or</li> <li>(c) is otherwise Controlled by a government entity listed in (a) above.</li> </ul>
Holding Company	the Licence description given to entities established for the purpose of acting as a holding company in the DIFC in the Non-Retail Activities Guide published on the website of the DIFC.
Initiator	in relation to a Prescribed Company established or continued in the DIFC for a Structured Financing, the person(s) for whose ultimate benefit the transaction or structure is established or maintained.
Intellectual Property Structure	a structure of one (1) or more persons established for the sole purpose of holding intellectual property for commercial purposes.
Licence	has the meaning given to the term in the Operating Law.
Maritime Structure	a structure of one (1) or more persons having the sole purpose of facilitating the owning, financing, securing, chartering, managing or operating of an interest in

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<b>Defined Term</b>	<b>Definition</b>
	one (1) or more Maritime Vessel(s), Maritime Unit(s) or any part(s) thereof.
Maritime Unit	a fixed or floating marine structure which is designed for supporting vessels, exploiting natural resources, coastal protection or any other lawful marine operation, including (without limitation) rigs, wharves, docks, barges, piers, jetties, mooring structures, or buoys.
Maritime Vessel	a watercraft normally operating, or made for the purpose of operating, and used, or that is capable of being used, as a means of navigation on water, without regard to its power or tonnage.
Operating Law	the Operating Law, DIFC Law No. 7 of 2018.
Prescribed Company	a Prescribed Company within the meaning of Regulation 2.
Qualifying Purpose	any of the following: (a) an Aviation Structure; (b) a Crowdfunding Structure; (c) an Intellectual Property Structure; (d) a Maritime Structure; or (e) a Structured Financing.
Recognised Financial Services Regulator	a recognised regulator of financial services activities in a Recognised Jurisdiction.
Recognised Jurisdiction	the UAE, a Zone 1 Country or a jurisdiction recognised by the DFSA under Article 55 of the Collective Investment Law.
Registered Person	has the meaning given to the term in the Operating Law, excluding a Prescribed Company or a Non-Profit Incorporated Organisation incorporated or continued pursuant to the Non-Profit Incorporated Organisations Law, DIFC Law No. 6 of 2012.
Registrar	the Registrar appointed under the Operating Law.
Relevant Laws	the Companies Law, the Operating Law and the regulations issued pursuant to these laws.
Representative Office	has the meaning given to the term in the General Module of the DFSA Rulebook, or any similar activity undertaken in a Recognised Jurisdiction.
Securities	has the meaning given to the term in the Companies Law.
Special Purpose Vehicle	a Special Purpose Vehicle as defined in the Glossary Module of the DFSA Rulebook.
Structured Financing	a structure of one (1) or more persons having the sole purpose of holding assets to leverage and/or manage risk in one (1) or more financial transactions, inclusive of the following: (a) complex lending or security arrangements; (b) derivative transactions; (c) hybrid securities; (d) issuing of Securities to facilitate bond or sukuk issuances;

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Defined Term	Definition
	(e) securitisations; or (f) collateralised debt instruments, whether done in an Islamic or a conventional manner.
Transaction Party	in relation to a Prescribed Company established or continued in the DIFC for a Structured Financing, any person (other than the Initiator) that is a party to any agreement comprising the Structured Financing.
Trustee	a trustee of a Fund that is constituted as an investment trust.
UAE	United Arab Emirates.
UBO Regulations	the Ultimate Beneficial Ownership Regulations 2018.
Ultimate Beneficial Owner	has the meaning given to the term in the UBO Regulations.
Zone 1 Country	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States of America.

1.1.7 An undefined term that is used in these Regulations and is also used in the Relevant Laws shall have the same meaning in these Regulations.

1.1.8 The rules of interpretation in the Relevant Laws apply to these Regulations.

### 1.2 References to writing

1.2.1 If a provision in these Regulations refers to a communication, notice, agreement or other document “in writing” then, unless the contrary intention appears, it means in legible form and capable of being reproduced on paper, irrespective of the medium used. Expressions related to writing must be interpreted accordingly.

1.2.2 Regulation 1.2.1 does not affect any other legal requirements which may apply in relation to the form or manner of executing a document or agreement.

## 2. STATUS

2.1.1 A Prescribed Company is a prescribed company incorporated or continued in the DIFC pursuant to the provisions of Article 132 of the Companies Law.

2.1.2 Except as otherwise provided in these Regulations, the provisions of the Relevant Laws apply to Prescribed Companies as if it is a Private Company.

## 3. ESTABLISHMENT

### 3.1 Qualifying requirements

3.1.1 An applicant wishing to incorporate or continue a Prescribed Company in the DIFC must satisfy the Registrar of one of the following criteria set out at Regulation 3.1.1(a) to 3.1.1(d):

(a) that the Prescribed Company is Controlled by one (1) or more:

(i) GCC Persons;

(ii) Registered Persons; or

- (iii) Authorised Firms;
- (b) the Prescribed Company is established or continued in the DIFC for the purpose of holding legal title to, or Controlling, one (1) or more GCC Registrable Assets;
- (c) the proposed Prescribed Company is established or continued in the DIFC for a Qualifying Purpose; or
- (d) the Prescribed Company established or continued in the DIFC has a Director that is an Employee of a Corporate Service Provider and that Corporate Service Provider has an arrangement with the Registrar pursuant to Regulation 3.3.2.

3.1.2 The Articles of Association of a Prescribed Company:

- (a) serving a Qualifying Purpose shall limit its objects and activities to only its Qualifying Purpose and activities ancillary to such purpose; or
- (b) established for the purposes of holding legal title to, or Controlling, one (1) or more GCC Registrable Assets shall limit its objects and activities to only that purpose and activities ancillary to such purpose.

3.1.3 Where a Prescribed Company is established or continued in the DIFC pursuant to Regulation 3.1.1(b) or Regulation 3.1.1(c), the Prescribed Company must satisfy the Registrar that it:

- (i) holds or Controls one or more GCC Registrable Assets; or
- (ii) has begun to carry on its Qualifying Purpose,

within six (6) months of the date of issue the Prescribed Company's Licence, which period may be extended at the Registrar's sole discretion.

**3.2 Financial services and public offers of Securities**

3.2.1 A Prescribed Company may be used by a Fund Manager, a Trustee or a General Partner as a Special Purpose Vehicle to hold property on behalf of a Fund.

3.2.2 A Prescribed Company shall not be used to be the Fund Manager, the Trustee or the General Partner of a Fund or as the Fund itself.

3.2.3 A Prescribed Company whose Qualifying Purpose is a Crowdfunding Structure:

- (a) may be used to hold assets invested through a Crowdfunding Platform as part of a Crowdfunding Structure but shall not be used to be the Crowdfunding Operator; and
- (b) shall be exempted from the requirement to have no more than fifty (50) shareholders under Article 27(1)(b) of the Companies Law.

3.2.4 A Prescribed Company whose Qualifying Purpose is a Structured Financing that is making an offer of its Securities to the public to facilitate a bond or sukuk issuance shall, where applicable:

- (a) not be regarded as falling within the definition of a Public Company under Article 27(4)(a) of the Companies Law; and
- (b) be exempted from the following provisions of the Companies Law:
  - (i) the prohibition in Article 42 (Prohibition of public offers by Private Companies); and
  - (ii) the requirement to have no more than fifty (50) shareholders under Article 27(1)(b).

3.2.5 A Prescribed Company shall not provide any Financial Services unless it is authorised by the DFSA to do so.



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3.2.6 Nothing in this Regulation is to be construed as exempting a Prescribed Company from the general prohibition of public offers of its Securities under Chapter 4 of the Companies Law or the financial promotion restrictions or requirements in respect thereof imposed by applicable markets or securities laws and related regulations.

### 3.3 Application to incorporate or continue

3.3.1 An application to incorporate or continue a Prescribed Company in the DIFC shall be made to the Registrar in the prescribed form and accompanied by the documentation required to be lodged in connection with an application for the incorporation or continuation of a Private Company.

3.3.2 The Registrar may enter into an arrangement with a Corporate Service Provider under which:

- (a) any document, form or fee required by these Regulations or the Relevant Laws to be lodged with or paid to the Registrar for the incorporation or continuation of a Prescribed Company in the DIFC, may be lodged with or paid to the Registrar by the Corporate Service Provider; and
- (b) the Corporate Service Provider is required to perform some or all assessments, checks and verifications required under these Regulations or the Relevant Laws to ascertain and confirm whether an applicant:
  - (i) adheres to all AML Requirements, the UBO Regulations and other requirements of the Relevant Laws;
  - (ii) meets the applicable qualifying requirements set out at Regulation 3.1; and
  - (iii) maintains Accounting Records in accordance with Regulation 4.4.1,

and to provide a certification of such matters to the Registrar in an agreed format.

3.3.3 The Registrar in the performance of any function under the Relevant Laws may in good faith rely, without further enquiry, upon the certification of a Corporate Service Provider given under Regulation 3.3.2, provided that a Corporate Service Provider shall not be liable to the Registrar for doing so, unless it has acted in breach of its agreed obligations to the Registrar, in which case (without limiting the generality of its application) Regulation 3.3.4 shall apply.

3.3.4 The Registrar may:

- (a) revoke any arrangement entered into with a Corporate Service Provider under Regulation 3.3.2 if the Registrar is satisfied that the Corporate Service Provider has acted in breach of its agreed obligations to the Registrar;
- (b) inform the DFSA of any facts or circumstances that may amount to a breach of a Corporate Service Provider's regulatory duties under applicable law; and
- (c) inform law enforcement agencies of any alleged or suspected criminal offences on the part of a Corporate Service Provider or its clients.

3.3.5 Where an applicant is represented by a Corporate Service Provider in an application to incorporate or continue a Prescribed Company, the Registrar shall be permitted to communicate directly with such Corporate Service Provider with no need to directly communicate with the applicant pursuant to these Regulations.

### 3.4 Name requirements

Unless determined otherwise by the Registrar, the proposed name of a Prescribed Company shall end with "Limited" or "Ltd." and comply with the requirements in the Relevant Laws relating to names.

**3.5 Permission to incorporate**

3.5.1 Upon deciding to grant permission to incorporate or continue a Prescribed Company, the Registrar shall without undue delay inform the applicant in writing of:

- (a) such decision;
- (b) the date on which the Licence applicable to the Prescribed Company shall be deemed to take effect; and
- (c) any conditions and restrictions applicable to the Licence.

3.5.2 The Licence of a Prescribed Company established for:

- (a) a Qualifying Purpose shall be restricted to the activities specific to the Qualifying Purpose stated in its application to incorporate or continue the Prescribed Company in the DIFC; or
- (b) any other permitted purpose under these Regulations shall be restricted to the activity of Holding Company.

3.5.3 Upon deciding to refuse to grant permission to incorporate or continue a Prescribed Company, the Registrar shall without undue delay inform the applicant in writing of such refusal.

**3.6 Incorporation Fees**

The application for incorporation shall be accompanied by the relevant fee prescribed in Regulation 5 and set out in Appendix 1.

**4. CONDUCT OF BUSINESS**

**4.1 Registered Office**

4.1.1 Subject to Regulation 4.1.2, a Prescribed Company's registered office for the purpose of Article 13 of the Operating Law shall either be:

- (a) the registered office of a Corporate Service Provider appointed for this purpose by:
  - (i) the person(s) responsible for the incorporation or continuation of the Prescribed Company, acting on behalf of the Prescribed Company to be incorporated or continued in the DIFC;
  - (ii) the Prescribed Company, or
- (b) the registered office in the DIFC of a Registered Person that is, or will be after incorporation, an Affiliate of the Prescribed Company, provided that such registered office shall not be a premises designated for any retail purposes in the DIFC.

4.1.2 A Corporate Service Provider appointed under Regulation 4.1.1(a) shall consent in writing to such appointment in a format prescribed by the Registrar.

4.1.3 Where the registered office of a Prescribed Company is, pursuant to the provisions of Regulations 4.1.1(b), the same as that of another Registered Person, the Prescribed Company or the applicant(s) for its incorporation or continuation shall be required to submit proof to the Registrar that consent to share the premises has been obtained from the Registered Person.

**4.2 Operation in the DIFC**

Article 13(3) of the Operating Law (conducting principal business activity in the DIFC) and Regulation 2.1.4 of the Companies Regulations (establishment of operations in the DIFC) shall not apply to a Prescribed Company.

**4.3 Employees**

A Prescribed Company shall not be permitted to employ any Employees.

**4.4 Accounting Records**

4.4.1 A Prescribed Company shall maintain Accounting Records and prepare accounts as required under the Companies Law.

4.4.2 A Prescribed Company that has a Qualifying Purpose of a Structured Financing shall be exempt from any requirement to file its accounts with the Registrar or have them audited.

4.4.3 Without prejudice to Article 127 of the Companies Law, a Prescribed Company that has a Qualifying Purpose of a Crowdfunding Structure with an annual turnover of not more than \$5,000,000 calculated on a consolidated basis including all Subsidiaries, but that has more than twenty (20) Shareholders, shall be exempt from the requirements under Article 124(b), Article 124(d) and Article 125 of the Companies Law in respect of preparing audited accounts and filing such accounts with the Registrar.

**4.5 Reporting and disclosure**

4.5.1 The Confirmation Statement filed by a Prescribed Company shall:

- (a) comply with the requirements of the Relevant Laws as they apply to a Private Company; and
- (b) confirm that it continues to meet the qualifying requirements set out at Regulation 3.1.1 (as applicable).

4.5.2 Each Director of a Prescribed Company whose Qualifying Purpose is a Structured Financing that does not have an Authorised Firm involved as either an Initiator or a Transaction Party shall file with the Registrar, at incorporation or continuation of the Prescribed Company in the DIFC, additional confirmations stating that, after due and careful enquiry, the Director making the confirmation is satisfied that the Structured Financing of the Prescribed Company is not being used and will not be used, whether in the UAE or elsewhere, to:

- (a) circumvent foreign ownership restrictions;
- (b) change the nationality of a shareholder or interest holder in an entity to avoid foreign investor registration requirements; or
- (c) evade the imposition of any tax or duty as a consequence of the UAE nationality of the Prescribed Company.

4.5.3 The additional confirmations referred to in Regulation 4.4.2 shall be repeated by each Director of such Prescribed Company and filed with the Registrar along with its Confirmation Statement.

4.5.4 Any report, disclosure or confirmation made by a Corporate Service Provider on behalf of a Prescribed Company pursuant to this Regulation 4 shall be done as the Prescribed Company's agent and the Corporate Service Provider may require self-certification of the content by the members of the Prescribed Company's board of Directors. The Corporate Service Provider shall not be liable to the Registrar in respect of any such report, disclosure or confirmation where it has acted with due care in ensuring their contents are correct and has not omitted any material facts or circumstances of which the Corporate Service Provider is aware of, or ought reasonably be aware of.

4.5.5 Without limiting the generality of the application of Regulation 3.3.4, the Registrar may revoke any arrangement with a Corporate Service Provider under Regulation 3.3.4 in circumstances where a Corporate Service Provider has acted in contravention of Regulation 4.5.4.

**4.6 Revocation of status**

4.6.1 If:

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- (a) there is a change of circumstances resulting in Prescribed Company no longer meeting the qualifying requirements set out in Regulation 3.1.1 (as applicable); or
- (b) a Prescribed Company in any way fails to comply with these Regulations,

the Registrar may, after following the Decision-Making Procedures and in the case of a Prescribed Company authorised by the DFSA to provide Financial Services, notifying the DFSA, revoke its status as a Prescribed Company.

4.6.2 If a Prescribed Company's status is revoked under Regulation 4.6.1, it shall:

- (a) cease to be a Prescribed Company;
- (b) no longer be entitled to the benefit of any exemption or concession (including as to fees) in these Regulations; and
- (c) be required to adhere to all the requirements of the Relevant Laws.

### 5. FEES

For the purposes of Article 151(2)(h) of the Companies Law, Regulation 9.1 of the Companies Regulations and Regulation 2.3.2 of the Operating Regulations, the fees in respect of matters set out in Appendix 1 of these Regulations shall be paid to the Registrar instead of the fees specified in the Relevant Laws.

**APPENDIX 1  
FEES**

**Table of fees**

Upon receipt by the Registrar of:	Fee (USD)
Application for incorporation of a Prescribed Company	\$100
Application for grant or renewal of a Licence	\$1,000
Lodgement of a Confirmation Statement	\$300
Application to continue incorporation of a Prescribed Company in the DIFC	\$1,000
Application to transfer incorporation of a Prescribed Company from the DIFC	\$1,000