



# **CONSULTATION PAPER NO. 1**

May 2026

**Amended Prescribed Company Regulations**

## CONSULTATION PAPER NO. 1 AMENDED PRESCRIBED COMPANY REGULATIONS

### Why are we issuing this paper?

1. The Dubai International Financial Centre Authority (“**DIFCA**”) proposes to amend the DIFC Prescribed Company Regulations (the “**PC Regulations**”) to open the regime to any applicant. The changes will remove the remaining qualifying requirement restrictions on who may establish a PC, significantly expanding the regime’s scope and accessibility. This Consultation Paper No. 1 of 2026 (“**Consultation Paper**”) seeks public comments on the amended PC Regulations (the “**Proposed Regulations**”).
2. In addition, minor amendments to the DIFC Operating Regulations are proposed in respect of the Registrar’s powers to collect financial information from Registered Persons for statistical reporting purposes (see paragraph 0 for further details).

### Who should read this paper?

3. This Consultation Paper would be of interest to persons conducting or proposing to conduct business in the DIFC. In particular:
  - a. Existing Prescribed Companies (“**PCs**”);
  - b. Registered Persons;
  - c. Corporates, family businesses and other investors wishing to establish a special purpose vehicle/holding company for corporate structuring purposes in the Centre;
  - d. Corporate Service Providers; and
  - e. Legal advisors advising on matters relating to any of the above.

### How to provide comments

4. All comments should be provided to the person specified below:

**Jacques Visser**  
**Chief Legal Officer**  
**DIFC Authority**  
**Level 14, The Gate, P. O. Box 74777**  
**Dubai, United Arab Emirates**  
or e-mailed to: [consultation@difc.ae](mailto:consultation@difc.ae)

5. You may choose to identify the organisation you represent in your comments.
6. DIFCA reserves the right to publish, on its website or elsewhere, any comments you provide, unless you expressly request otherwise at the time the comments are made.

### What happens next?

7. The deadline for providing comments on the proposals in this Consultation Paper is 2 June 2026.
8. Once we receive your comments, we will consider if any further refinements are required to the proposed amendments. Once DIFCA considers the changes to be in a suitable form, the Proposed Regulations will be enacted, to come in to force on a date specified and published.
9. The Proposed Regulations are in draft form only. You should not act on them until they are formally enacted. We will issue a notice on our website when this happens.

### Defined terms

10. Defined terms are identified throughout this paper by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Proposed Regulations. Unless the context otherwise requires, where capitalisation of the initial letter is not used, the expression has its natural meaning.
11. The term Prescribed Company and PC is used interchangeably throughout this Consultation Paper.

### Background

12. The PC Regulations were enacted in 2019 and were updated in 2020, 2022 and 2024. Each update has expanded the regime to a wider base of applicants, reflecting DIFCA's commitment to serving its client's needs, while ensuring substance requirements remained in place where higher risk was identified (for instance, PCs with no existing nexus to the Centre, UAE or wider GCC).
13. DIFCA has also committed to keeping its policy, with regards to the use of SPV/holding company structures within the Centre, under review. In light of the UAE's corporate tax regime and the UAE's adherence to global tax reporting standards such as the OECD's Common Reporting Standard and the US FATCA, DIFCA considers that opening the PC regime to all applicants, subject to compliance with the Proposed Regulations, is now appropriate from a risk perspective.

14. The changes to the PC regime are explained in further detail in this Consultation Paper.

### Key Changes Proposed

15. The key changes in the Proposed Regulations include the following:
- a. Removing the qualifying requirements for establishing a PC, effectively opening the regime to any applicant.
  - b. Introducing a requirement for a PC to appoint a (DFSA regulated) Corporate Services Provider (“**CSP**”), unless it is an Exempt PC. An Exempt PC is not required to appoint a CSP (see paragraph 19 below for further details on Exempt PC criteria).
  - c. Setting out statutory obligations for CSPs to act as the primary compliance and administrative interface between the Registrar of Companies (“**RoC**”) and the PC (see paragraphs 21 - 24 below, which provide further detail on the statutory duties and obligations of CSPs).
  - d. Other consequential changes.

### CSP Requirement

16. Under the current PC Regulations, an applicant must meet one of the qualifying requirements set out at Regulation 3.1. This includes PCs controlled by GCC Persons, Registered Persons or Authorised Firms; PCs established to control GCC Registrable Assets or to carry out a Qualifying Purpose; or PCs that meet certain director requirements.
17. Under the proposed Regulations, these requirements are removed and any person may apply to establish a PC, provided that the applicant has appointed a CSP to act on its behalf as an administrative and compliance interface with the RoC. See paragraphs 21 - 24 below for further details in this regard.
18. An Exempt PC is not required to appoint a CSP and may liaise directly with the RoC. This does not preclude an Exempt PC from appointing a CSP for the purposes described at paragraphs 21 - 24.
19. A PC is considered Exempt where its Controller is any one of the following:
- a. A DIFC Registered Person, other than a Variable Capital Company, NPIO, Foundation or another Prescribed Company.
  - b. An Authorised Firm (i.e. a person that holds a licence from the DFSA or a Recognised

Financial Services Regulator).

- c. A Government Entity (which includes governments of the UAE, Emirates and of Recognised Jurisdictions).
- d. A Publicly Listed Entity (any body corporate that has any class of its securities listed on a securities exchange in a Recognised Jurisdiction).

20. For existing PCs that do not meet the Exempt PC criteria, there is a six-month period from the date the updated Regulations come into force to appoint a CSP. If a PC does not comply with the CSP requirements by the deadline, it is liable to a fine up to US\$20,000. The RoC may further revoke a non-compliant entity's status as a PC, in accordance with Regulation 6 and the Decision-Making Procedures. In such circumstances, the PC will no longer benefit from the PC regulations and will instead become a full licence fee paying company, with a requirement to obtain a lease to continue operating in the DIFC.

- Q1. Do you agree with the Exempt PC criteria or do you think the criteria should be expanded? If so, please provide your reasoning and details of specific use cases.**
- Q2. Do you agree with the six (6) month period for compliance by non-Exempt PCS to appoint a CSP (as described at paragraph 20 above). If not, please suggest an alternative time period and your reasons for this.**
- Q3. Do you have any other comments or suggestions in relation to the proposed requirements?**

### CSPs: Duties and Obligations

21. Regulation 5 sets out the duties and responsibilities of CSPs. Duties include being expressly responsible for lodging all documents, forms and fees required for the incorporation or continuation of the PC, as well as making all necessary regulatory filings on behalf of the PC. CSPs must also maintain up-to-date and readily accessible records for each PC they act for and ensure that these records are available for inspection by the RoC. Regulation 5.1.2 places a reciprocal duty on PCs to provide their CSPs with all information and documents necessary for the CSP to fulfil these obligations. Failure by a PC to do so may incur a fine of up to \$100,000 for the PC.
22. Regulation 5.2 also sets out clear procedures for the appointment and cessation of CSPs, including mandatory notification requirements to the RoC. Importantly, under Regulation 5.2.4, CSPs are required to retain a PC's records for six years following cessation of the CSPs appointment. Where a CSP ceases to act and no replacement is appointed, the CSP's

registered office will continue to serve as the company's registered office until a new appointment is made or the PC is wound up.

23. Regulation 5.3 provides that the RoC may require a CSP to provide information, documents, or access to premises as needed to ensure compliance with the regulations. The RoC is also empowered to notify the DFSA of any suspected breaches of CSP duties and to refer potential criminal offences to law enforcement agencies. These powers are in addition to the RoC's existing inspection and investigative powers under the DIFC Operating Law and other relevant DIFC legislation.
24. Overall, these changes are intended to enhance regulatory oversight, improve transparency, and ensure that both CSPs and PCs meet their statutory obligations in the DIFC.

**Q4. Do you have any concerns regarding the proposed duties and obligations on CSPs? If so, please provide details.**

### Registered office requirements and other consequential changes

25. Although a Prescribed Company is not required to lease office space (aligned with the fact that it is simply a passive holding vehicle) it is required to have a registered address in the DIFC. This is reflected at Regulation 4.1 (Registered Office). Regulation 4.1 has been updated to provide that a PC (including an Exempt PC) must either use the registered address of its CSP or that of a DIFC registered Affiliate, provided such Affiliate does not operate from retail premises.
26. Other consequential changes within the Proposed Regulations include:
- a. Certain consequential and clarificatory changes made to Regulation 3.2, although the Regulations retain the principle that a PC may not be used to carry out Financial Services activities unless duly regulated by the DFSA. As with previous iterations of the PC Regulations, the financial services prohibition does not prevent a PC being used to hold assets for a Crowdfunding Structure, a Fund or a Family Office providing Family Office Services to a single family.
  - b. As with the current PC Regulations, a PC is limited to acting as a passive holding company and may not employ Employees or other workers.
  - c. The accounting record requirements and exemptions at Regulation 4.4 are retained, with consequential changes relating to PCs used for what were previously the Qualifying Purposes of Crowdfunding Structures and Structured Financing.

- d. Fines have been introduced, as set out at Appendix 2, that relate to:
  - i. failure by a PC (that is not an Exempt PC) to appoint a CSP (maximum fine of up to \$20,000).
  - ii. a PC failing to provide necessary documents and information to its CSP (maximum fine of up to \$100,000);
  - iii. a CSP that fails to notify the RoC that it has ceased to act for a PC (maximum fine of up to \$2,000).

**Q5. Do you have any issues, proposed amendments or other suggestions in respect of any of the proposed changes to Registered Office requirements?**

**Q6. Are there any other issues, not included in the Proposed Regulations that warrant attention? If so, what are they, and why and how, should they be addressed?**

#### **DIFC Operating Regulations**

27. A new Regulation 5.6 of the DIFC Operating Regulations clarifies the Registrar's existing powers under Article 30 of the Operating Law to obtain information from Registered Persons. Regulation 5.6.1 provides for the collection of financial statements and related information from Registered Persons. Regulation 5.6.2 permits the controlled disclosure of such information by the Registrar to competent UAE authorities strictly for statistical purposes and subject to applicable laws.

#### **Legislative proposal**

28. This legislative proposal contains the following:
- (a) the Proposed Regulations (at Annex A);
  - (b) the Proposed Operating Regulations (at Annex B); and
  - (c) a table of comments to provide your views and comments on the consultation paper (at Annex C).