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DIFC broadens access to Prescribed Companies and introduces a CSP-led compliance regime

By Danielle Lobo and Ayush Sharma | 01 September 2026

The Dubai International Financial Centre (**DIFC**) has enacted the Prescribed Company Regulations 2026 (the **2026 Regulations**), which came into force on 24 July 2026 and amend and restate the Prescribed Company Regulations 2024 (the **2024 Regulations**).

The 2026 Regulations remove the qualifying requirements that previously restricted access to the prescribed company regime and introduce a compliance framework centered on corporate service providers (**CSPs**).

The recent amendments follow the updates to the regime in 2020, 2022 and 2024 since its introduction in 2019. The DIFC observed during the consultation process that opening the regime to all applicants was considered appropriate in light of the UAE 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.

The key changes introduced through the 2026 Regulations are set out below.

Wider access to the regime

Under the 2024 Regulations, an applicant was required to satisfy at least one of four eligibility routes to incorporate or continue a Prescribed Company in the DIFC:

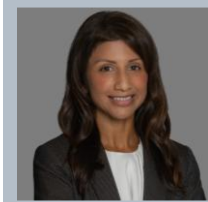
(i) be controlled by one or more GCC Persons[1], Registered Persons[2] or Authorized Firms[3];

(ii) hold or control GCC Registrable Assets[4];

(iii) pursue a Qualifying Purpose[5]; or

(iv) have a director who is an employee of a CSP that had an arrangement with the DIFC registrar.

The Authors



Danielle Lobo
Partner
dlobo@afridi-angell.com

Danielle is a corporate/commercial lawyer with considerable experience in a wide range of corporate matters including mergers and acquisitions, private equity transactions, reorganisations, and joint ventures. Danielle is a member of the Law Society of Scotland. She holds an LLB (Hons.) from the University of Aberdeen, Scotland. Danielle has been ranked as "Next Generation Partner" for commercial, corporate and M&A, in Legal 500 EMEA.

Ayush Sharma
Senior Associate
asharma@afridi-angell.com

Ayush is a corporate lawyer based in Afridi & Angell's Dubai office. He advises clients on a broad range of corporate, M&A and private equity transactions, including complex domestic and cross-border matters. He is also experienced in advising on corporate structuring and reorganisations, strategic investments and joint ventures across the Middle East and South Asia.

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[1] The 2024 Regulations defined a GCC Person as (a) a natural person who is a citizen of a GCC Member State; (b) a body corporate or body unincorporate, including a company, partnership, or unincorporated association, that is controlled by one or more natural persons who is a citizen of a GCC Member State; (c) a body corporate that has any class of its securities listed on a securities exchange in the GCC; or (d) a Government Entity.

[2] The 2024 Regulations defined a Registered Person as a body corporate incorporated, registered, or continued within the DIFC, excluding (a) a Prescribed Company or a Non-Profit Incorporated Organisation incorporated or continued in the DIFC.

[3] The 2024 Regulations defined an Authorized Firm as a person who holds a licence from the DFSA or a Recognised Financial Services Regulator to carry on one or more Financial Services, excluding a Representative Office.

[4] The 2024 Regulations defined a GCC Registrable Asset as 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: (a) land and real property; (b) shares in companies; (c) partnership interests; (d) intellectual property; and (e) aircraft and Maritime Vessels.

[5] The 2024 Regulations defined Qualifying Purpose as 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.

Where a Prescribed Company relied on the GCC Registrable Asset or Qualifying Purpose routes, its objects and activities were restricted accordingly, and it had six months from licensing to demonstrate to the DIFC registrar that it held or controlled the relevant asset or had begun pursuing the relevant purpose.

Under the 2026 Regulations, the qualifying requirements are no longer conditions to the incorporation or continuation of a Prescribed Company. As a result, any natural or corporate person anywhere in the world may establish a Prescribed Company.

Instead, the 2026 Regulations now require that a non-exempt Prescribed Company (discussed below) must appoint a CSP to act on its behalf for its registered office and the statutory functions specified in the 2026 Regulations.

Exempt Prescribed Companies

A Prescribed Company is exempt if it is controlled by (i) a Registered Person; (ii) an Authorized Firm; (iii) a Government Entity[6]; or (iv) a Publicly Listed Entity[7]. It is worth noting that a "Registered Person" no longer includes a Prescribed Variable Capital Company and a Foundation. Consequently, a Prescribed Company which is controlled by a Prescribed Variable Capital Company or a Foundation does not meet the criterion for an exempt Prescribed Company and will be required to appoint a CSP (unless it separately qualifies as an exempt Prescribed Company).

An exempt Prescribed Company is not required to appoint a CSP, although it may engage a CSP to perform some or all of the duties and obligations of a CSP prescribed under the 2026 Regulations, provided that the arrangement does not relieve either party from any obligations imposed by the 2026 Regulations or applicable law.

A non-exempt Prescribed Company incorporated before 24 July 2026 is required to appoint a CSP within six months of such date, or within a longer period determined by the DIFC registrar on application by the Prescribed Company. Failure to appoint a CSP within such period may result in the imposition of a fine not exceeding USD 20,000. In addition, Prescribed Companies that fail to appoint a CSP within this timeframe risk losing their prescribed company status.

The CSP-led compliance framework

During the consultation process, the DIFC described a CSP as the primary compliance and administrative interface between the Prescribed Company and the DIFC registrar.

The 2024 Regulations permitted the DIFC registrar to enter into arrangements with CSPs under which a CSP could lodge documents and fees and perform specified checks, verifications and certifications in relation to incorporation and continuation of a Prescribed Company. The 2026 Regulations replace such arrangement-based model with express statutory duties. For a non-exempt Prescribed Company, the CSP is required to lodge any documents or forms and pay fees for the incorporation or continuation of a Prescribed Company; make filings and provide documents, forms and notices required to be provided by the Prescribed Company; and maintain current and readily accessible copies of records that the Prescribed Company is required to maintain under the 2026 Regulations or applicable law.

A Prescribed Company is required to provide the documents and information required for the CSP to perform its duties under the 2026 Regulations. Failure to do so may result in the imposition of a fine not exceeding USD 100,000.

The appointment of a CSP is required to be notified to the DIFC registrar in the prescribed form and should include the CSP's consent. If the CSP ceases to act for a Prescribed Company (whether by resignation or dismissal), the CSP is required to notify the DIFC registrar within ten days from the date of cessation of its services, failing which, the CSP may be liable to a fine not exceeding USD 2,000.

Holding activity, financial services, registered office and workforce

Under the 2024 Regulations, the license of a Prescribed Company established for a Qualifying Purpose was restricted to the activities specific to such Qualifying Purpose, while the license of a Prescribed Company established for any other permitted purpose was restricted to the activity of a holding company. Under the 2026 Regulations, the license of a Prescribed Company is restricted to the activity of a holding company. The consultation paper on the 2026 Regulations confirms that, despite broader access, a Prescribed Company is intended to remain a passive holding vehicle.

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[6] The 2026 Regulations define a Government Entity as any of (a) the federal government of the UAE, the government of Dubai or the government of any UAE Emirate; (b) a government of a Recognized Jurisdiction; (c) a person Controlled by any of the government entities listed in (a) or (b); or (d) a person in which a government entity listed in (a) owns (directly or indirectly) an interest of at least twenty five percent (25%), or such other percentage approved by the DIFC authority.

[7] The 2026 Regulations define a Publicly Listed Entity to mean a body corporate that has any class of its securities listed on a securities exchange in a Recognized Jurisdiction.

The 2026 Regulations further stipulate that a Prescribed Company shall not be used to establish a Fund in the DIFC without the DFSA's authorization.

An Exempt Prescribed Company may use an affiliate's registered office, while a non-exempt Prescribed Company must use the registered office of its appointed CSP. The 2026 Regulations clarify that a Prescribed Company is not permitted to maintain a workforce whether through employees or any other arrangement.

Conclusion and action points

The 2026 Regulations recast the Prescribed Company regime around wider access and CSP-led compliance. The removal of the former eligibility gateways materially broadens the potential applicant base, while the mandatory CSP framework introduces a formal compliance interface for non-exempt Prescribed Companies.

New applicants and existing Prescribed Companies should assess the exempt status eligibility, their CSP appointment, registered office arrangements and ongoing information and filing obligations prior to the six-month transitional period ending on 24 January 2027 so as to mitigate the risk of the imposition of a fine and revocation of the company's prescribed company status. ■