United Arab Emirates

International Estate Planning Guide

IBA Private Client Tax Committee

Contact:

Sunita Singh-Dalal
Hourani and Partners, Dubai
ssingh-dalal@houranipartners.com

Updated: 6/2026

Table of Contents

1. Inheritance and succession in the United Arab Emirates

Introduction

The legal framework governing succession and inheritance in the United Arab Emirates (UAE) has recently been revised, following which a far more liberalised and secular approach has been adopted. The application of the specific rules is dependent on factors such as:

- the decedent's religion and nationality;
- whether a will was validly executed and registered in the UAE; and
- whether foreign law was invoked and applied.

When registering a will, non-Muslims located in the UAE can now choose between the common law option that is available in the Dubai International Financial Centre (DIFC) or civil law options available in the Dubai Courts and the Abu Dhabi Judicial District (ADJD). Depending on their nationality, Muslims can also choose to register their will in the ADJD or the Dubai Courts.

The Personal Status Law in the UAE

The UAE Civil Personal Status Law of 2022 governs matters related to inheritance and succession for all non-Muslims,[1] whereas the UAE Personal Status Law of 2024[2] governs such matters for Muslims.

Federal Decree Law No. (41) of 2024 (the 'Personal Status Law') applies to:

- UAE citizens who are Muslim;
- non-Muslim UAE citizens, unless there are other rules specific to their religion or they choose to apply another law (eg, the Civil Personal Status Law); and
- foreigners residing in the UAE, unless they choose to apply the law of their home country or any other law.[3]

The Personal Status Law is derived from the Islamic principles of Sharia and contains forced heirship provisions, which guarantee that certain members of the decedent's family (eg, spouse and children) receive fixed shares of the estate.

Non-Muslims, whether UAE citizens or foreigners, who do not wish for their wills and inheritance to be governed by the Personal Status Law can instead choose to apply the Civil Personal Status Law of 2022.

Testators should note that the Civil Personal Status Law functions as opt-in legislation. This means that unless otherwise selected, the Personal Status Law will apply by default for non-Muslim UAE citizens, while the home country laws will apply for non-UAE citizens. In order

[1] Federal Decree Law No 41 of 2022.
[2] Federal Decree Law No 41 of 2024.
[3] Article 1(1)-(3), Personal Status Law.

for the Civil Personal Status Law to apply to the testator's will, such a will must contain a statement to this effect.

In order to exercise testamentary freedom, it is necessary for anyone owning immoveable or moveable property in the UAE, as well as those that reside in the UAE with children under the age of 18 (the legal age of majority in the UAE),[4] to register a properly executed will that reflects their preferred personal instructions and wishes. Without a legally registered will, the distribution of a testator's estate may default to the Personal Status Law of the UAE. As such, in some cases, forced heirship provisions may apply by default, which may not align with the testator's original intentions. In the absence of clear and legally registered guardianship provisions, minor children resident in the UAE may be left without a designated guardian, potentially resulting in protracted court proceedings during a time of emotional trauma and vulnerability.

A registered will is therefore the primary mechanism through which individuals can safeguard their loved ones, ensure their assets pass to the intended beneficiaries and appoint trusted persons to act as interim or permanent guardians on their behalf. Given that life events, such as marriage, divorce or the acquisition and disposal of assets, can materially affect the validity of an existing will, it is not only important to register a will at the earliest opportunity, but also to review and update it regularly to ensure it continues to reflect one's current circumstances and wishes.

2. Will formalities

UAE mainland

THE PERSONAL STATUS LAW

Under the Personal Status Law, there are five core requirements in order for a will to be valid, as follows:

1. Requirements of the bequest

   A will can be formed, amended or revoked orally or in writing. Only when a testator is incapable of both may they use a gesture that conveys their intent to make a bequest.[5]

   If a will is recorded before the competent authority (eg, local courts), it may only be amended or revoked through the same process.[6]

2. Requirements of the testator

   The testator must have full legal capacity; in other words, the testator must be of legal age (18 years) and must not suffer from a mental disability that prevents them from managing their affairs.[7]

3. Requirements of the bequeathed asset

[4] Article 84 of the Civil Transactions Law pursuant to Federal Decree Law No 25 of 2025.
[5] Articles 176(1) and 177(1), Personal Status Law.
[6] Article 177(2), Personal Status Law.
[7] Article 178, Personal Status Law.

The bequeathed asset must be owned by the testator (if a specific asset), must exist (or possibly exist) and be legal. It may be in-kind, a benefit or a valued right.[8]

4. Requirements of the beneficiary

The beneficiary may be any of the following:

- a specific living individual (unborn children known to have been conceived at the time the bequest is made can be included);
- a limited or unlimited class of beneficiaries;
- a charitable cause permitted under Sharia law;
- a mosque or endowment (*waqf*); or
- any other legal person permitted to benefit from a will under UAE law.[9]

However, the beneficiary may not be an heir that will inherit through the forced heirship provisions discussed below, unless:

- the bequest is approved by the other heirs, in which case the bequest is enforceable on the shares held by the approving heirs; or
- the court finds a legitimate interest in the bequest pertaining to that heir, in which case the bequest is enforceable even if the remaining heirs disapprove. This may apply, for example, if the beneficiary faces severe financial hardship or has a disability with long-term care needs.[10]

5. Requirement of acceptance

If the beneficiary is a natural person, a legal person or a limited class of beneficiaries, the will becomes binding after the testator's death once accepted by the beneficiary/ies (or their guardian or a duly authorised person who has the authority to accept the bequest in the case of non-natural persons). If the beneficiary is a mosque, the will becomes binding when approved by the supervising authority, and if the beneficiary is an endowment (*waqf*), it becomes binding when approved by the trustee. A charitable cause or unlimited class of beneficiaries need not accept the bequest for it to be binding.[11]

A will is deemed nullified if it is rejected by the beneficiary or the beneficiary dies before or at the same time as the testator.[12]

THE CIVIL PERSONAL STATUS LAW

Under the Civil Personal Status Law, a will must meet the same five core requirements with some adjustments, largely to account for the inapplicability of Sharia law, as follows:

1. Requirements of the bequest

[8] Article 191 and 192, Personal Status Law.
[9] Article 181, Personal Status Law.
[10] Article 184(1), Personal Status Law.
[11] Article 185, Personal Status Law.
[12] Article 199(2) and 199(3), Personal Status Law.

A will can be formed orally or in writing. Only when a testator is incapable of both may they use a gesture that conveys their intent to make a bequest.[13]

The will must be registered with the wills registry at the competent court and can only be revoked by registering the withdrawal in the same manner.[14]

2. Requirements of the testator

   The testator must be a non-Muslim with full legal capacity.[15]

3. Requirements of the bequeathed asset

   The testator can bequeath any asset they own in the UAE so long as the bequeathed asset exists (or possibly exists) and is legal. It may be in-kind, a benefit or a valued right.[16]

4. Requirements of the beneficiary

   The beneficiary may be any of the following:

   - a specific or non-specific legal or natural person (unborn children known to have been conceived at the time the bequest is made can be included);
   - a limited or unlimited class of beneficiaries; or
   - a charitable cause.[17]

5. Requirement of acceptance

The beneficiary must accept or reject the bequest, in whole or in part, within 60 days of being notified of the bequest by the court. However, if the beneficiary is an unspecified person, their acceptance or rejection is not required.[18]

If the beneficiary dies before accepting or rejecting the bequest, the right of acceptance or rejection passes to the beneficiary's heir(s). If the beneficiary has no heir(s), the will expires.[19]

3. The registration of a will in the UAE

Non-Muslims

The registration options available to a testator is primarily dependent on their religion. Regardless of nationality, non-Muslim testators in the UAE have three choices when

[13] Article 26, Cabinet Decision No 122/2023 on the Implementing Regulations of the Civil Personal Status Law (the 'IRs of the Civil Personal Status Law').
[14] Articles 27 and 29(1), IRs of the Civil Personal Status Law.
[15] Articles 27(1) and 28(1)(b), IRs of the Civil Personal Status Law.
[16] Article 11(1), Civil Personal Status Law; Article 28(e)-(i), Personal Status Law.
[17] Article 26, IRs of the Civil Personal Status Law.
[18] Articles 31(1) and 31(3), IRs of the Civil Personal Status Law.
[19] Article 31(2), IRs of the Civil Personal Status Law.

seeking to register a UAE will: the DIFC Courts Wills Service,[20] the Notary Public at the Dubai Courts or the Civil Wills Registry of the Abu Dhabi Civil Family Court (ADCFC).

DIFC Courts Wills Service

The DIFC is an independent, English-language common law jurisdiction that uses a framework aligned with international standards. Non-Muslims can register English-language wills with the DIFC Courts Wills Service.

The DIFC Courts, which are staffed by judges from leading common law jurisdictions, are favoured by many foreigners due to their familiarity and predictability. The DIFC Courts Wills Service can be an attractive alternative for non-Muslims who have property and/or minor children in the UAE and prefer their estate and succession not to be governed by the laws of the UAE mainland. A DIFC-registered will is governed by DIFC law and must contain a statement to this effect.

The DIFC Courts Wills Registry is one of the most widely used will registration options for non-Muslims in the UAE. The laws of the DIFC are based upon common law principles and offer the flexibility of registering wills that include both UAE situs assets and worldwide assets.

The DIFC Courts Wills Service provides the following wills:

- a full will;
- a financial will;
- a property will; and
- a guardianship will.

The DIFC's will registration process is entirely digital, conducted online using video conferencing facilities and digital signatures. No in-person physical presence is required. This makes it especially convenient for testators who may be residing outside the country at the time of registration.

If the testator has minor children (under the age of 18) residing in the UAE, a guardian should be appointed in the will to care for them in the event of the testator's demise. In accordance with the applicable rules,[21] the testators may appoint up to two interim and two permanent guardians for their children.

A permanent guardian is a trusted individual, typically a family member or close friend residing abroad, appointed to assume full parental responsibility for the minor child(ren). Once formally appointed, they may also travel with the child(ren) outside the UAE.

An interim guardian is generally a UAE resident who assumes temporary parental responsibility for the minor child(ren) and their property. They cannot travel abroad with the child(ren) (unless specifically authorised to do so by the court) and will hold this responsibility until the court appoints a permanent guardian.

---

[20] Established by Resolution No 4 of 2014 by the Dubai International Financial Centre (DIFC).

[21] The DIFC Wills and Probate Registry Rules issued pursuant to the Dispute Resolution Authority Order No 1 of 2015, dated 29 April 2015 (as amended).

Testators should ensure that their appointed executors agree to their roles before registering the will and that all formal guardianship undertakings have been signed and executed by each guardian prior to the registration of the will.

DUBAI COURTS

By contrast, the Dubai Courts only permit the inclusion of UAE moveable and immoveable assets in a will and do not register wills for Muslim testators. Although the Dubai Courts permit testamentary freedom to non-Muslims, Muslims (including UAE citizens) may only use the Dubai Courts to register a will for one-third of their assets, in accordance with the Islamic principles of Sharia.

The registration process is undertaken by the Dubai Courts Notary Public Service and can be completed online via the Dubai Courts' digital platform, offering a convenient and accessible means of notarising a will without the need for an in-person visit. Once notarised, the will is registered with the Dubai Courts and is considered legally binding.

Muslims

THE ADCFC CIVIL WILLS REGISTRY

Non-Emirati Muslims are able to execute wills with full testamentary freedom and are not limited to the forced heirship principles of Sharia law. Wills are registered and administered by the Abu Dhabi Judicial Department (ADJD).[22] However, an ADJD will can only include UAE moveable and immoveable property.

Similar to the rules of the DIFC and the Dubai Courts, if the testator has minor children (under the age of 18), a guardian should be formally appointed in the will. Testators should consider the appointment of both interim and permanent guardians. The chosen guardian(s) shall have all the rights, duties, powers, responsibilities and authority that the UAE Personal Status Law[23] grants to a father in relation to the child and the child's property.[24]

Guardians can be either male or female, provided they meet the criteria stipulated in the UAE Personal Status Law, such as being equitable, capable, trustworthy, of full capacity and of the same religion as the minor.[25]

Mandatory bequests

In accordance with the Islamic principles of Sharia law, the Personal Status Law provides for certain mandatory bequests if a decedent (1) has a son or daughter who passed away before or at the same time as them and (2) has grandchild(ren) from that son or daughter.

These grandchildren are entitled to one-third of the decedent's estate, subject to the following rules:

- the collective share equals the amount their parent would have inherited from the decedent had the parent's death occurred immediately after the death of the decedent, up to one-third of the estate;

---

[22] Established pursuant to Abu Dhabi Law No 14 of 2021.
[23] Federal Law No 41 of 2024.
[24] Article 126(1) of Federal Law No 41 of 2024.
[25] Article 130 of Federal Law No 14 of 2024.

- the grandchildren must not be heirs of the decedent;
- if, during his or her lifetime, the decedent bequeathed to them an amount equal to what they would be entitled to under this provision, then:
  - if the bequest was less than this amount, the grandchildren are entitled to the difference;
  - if the bequest was more, the excess is considered an optional bequest; and
  - if the bequest was made to some grandchildren (but not all), the others are still entitled to their share;
- males inherit twice the share of females; and
- the children of the decedent's sons and daughters, and their descendant(s), are entitled to inherit under this provision. Each ascendant may exclude their descendants (but not the descendants of others) and each descendant may only receive the share of their direct ascendant.[26]

If a testator is a non-Muslim and/or a non-UAE citizen, they can avoid the application of these provisions by registering their will with the DIFC or ADGM or with the applicable local mainland court, in accordance with the Civil Personal Status Law.

Limitations applicable to the one-third share

Under the Personal Status Law, bequests, in aggregate, may not be greater than one-third of the testator's estate. If greater, the excess portion must be approved by the decedent's adult heirs and shall be executed in accordance with the extent of the shares of the consenting heirs. If the bequests exceed the obligatory share of the decedent's spouse, they are valid if there are no additional heirs.[27]

If the decedent has no forced heirs, then the one-third limitation does not apply.[28]

Events invalidating a bequest

THE PERSONAL STATUS LAW

Under the Personal Status Law, a bequest is invalidated if:

- it is validly revoked;
- the beneficiary dies before or at the same time as the testator, or it is unknown who died first;
- the beneficiary rejects it after the testator's death;
- the beneficiary kills the testator; or
- the bequeathed asset is destroyed or transferred to a third party, or a court order is issued entitling a third party to the bequeathed asset.[29]

THE CIVIL PERSONAL STATUS LAW

A bequest made pursuant to the Civil Personal Status Law is invalidated if:

- it is validly revoked;

[26] Article 179, Personal Status Law.
[27] Article 193, Personal Status Law.
[28] Article 193, Personal Status Law.
[29] Article 199, Personal Status Law.

- the beneficiary dies before the testator;
- the beneficiary rejects it after the testator's death;
- the beneficiary kills the testator;
- the bequeathed asset is destroyed or transferred to a third party, or a court order is issued entitling a third party to the bequeathed asset;
- the bequeathed asset is non-transferable;
- the testator becomes bankrupt during their lifetime, or the bequeathed money is used for the estate's debts; or
- a new will is registered that conflicts with the first will.[30]

THE SITUATION IN THE DIFC

A bequest contained in a DIFC will is invalidated if:

- a later will expressly or impliedly revokes the will;
- the testator makes a written declaration of intention to revoke executed in compliance with the same rules for executing a will;
- the testator marries after executing the will, unless it appears from the will that the testator expected to marry and did not intend for the bequest to be invalidated by marriage; or
- assets are bequeathed to the testator's spouse and the testator divorces that spouse after executing the will, unless a contrary intention is contained within the will.[31]

4. General will requirements

To ensure the proper administration of their estate, testators should select one or more trusted individuals, professional advisers or legal entities to be appointed as their executor(s) (defined by the ADJD as 'administrators'), who shall be responsible for ensuring that their estate is distributed in accordance with the provisions of their last will (and where applicable, their letter of wishes). It is recommended that at least two executors are appointed at the outset, who may act separately or jointly.

When drafting a will, testators should be aware that assets are typically distributed by way of specific gifts or through a division of their residuary estate. A specific gift is a clearly identifiable disposition to a named individual or a class of named persons (eg, a specific real estate asset, a particular object or asset, a specified sum of money or a clearly identifiable investment(s)).

Given the civil law framework in place, the common law concept of joint survivorship does not apply in the UAE. Therefore, a testator's share of any real estate jointly owned with others in the UAE will not automatically transfer to the co-owner(s) upon the testator's demise. It must be specifically included as a gift in their will to ensure that the appointed

[30] Article 29, IRs of the Civil Personal Status Law.
[31] Articles 18 and 19, DIFC Wills and Probate Registry (WPR) Rules.

executor(s) transfer such ownership to the designated beneficiary once a grant of probate has been obtained.

Testators may include testamentary trust provisions within their UAE will if they wish for their estate, or a specified portion of it, to be held in trust rather than distributed soon after their demise. A testamentary trust is particularly useful where beneficiaries are minors or where the testator considers it prudent for their estate to be managed by a trusted individual before the outright distribution of their estate occurs.

In accordance with the provisions of a testamentary trust, a designated trustee is appointed to hold, manage and safeguard the estate assets on behalf of the beneficiaries until they reach a specified age. During this period, the trustee has a fiduciary duty to administer the trust in accordance with the terms set out in the will (and the guidance in a letter of wishes, if applicable), which may include provisions for the maintenance, education and general welfare of the beneficiaries. This mechanism affords the testator greater control over how and when their wealth is inherited, providing an additional layer of protection to ensure that their assets are preserved and responsibly managed until the beneficiaries are of sufficient maturity to receive them directly.

Additionally, testators should be mindful of the impact of any circumstantial changes that may affect the validity of their will. Changes to their marital status can negate a legally executed will if not properly addressed, for example.

If a testator enters into marriage, their existing will shall be deemed null and void in its entirety, unless a specific reference to their proposed marriage, naming the individual, was inserted at the outset within the will. Similarly, if a testator subsequently divorces their spouse, any gifts or legacies in their will to be given to their former spouse shall similarly be deemed null and void, unless there are specific bequests and instructions detailed within the will to the contrary.

5. Estate duties and inheritance tax

The UAE does not currently levy any form of estate duty or inheritance tax in relation to UAE estates. However, professional legal advice must be taken if seeking to include non-UAE assets within a DIFC will.

It is strongly advisable for all non-UAE citizens, especially those that are subject to worldwide taxation within a jurisdiction that imposes inheritance tax or estate duties, to seek legal advice in such jurisdictions. Conflicts of law may affect cross-border estate planning and, in such circumstances, a will might not be the optimal estate planning solution.

6. Estate administration

In the UAE, all estates must be legally probated and administered within the appropriate jurisdiction. If there is a registered will, matters related to estate and succession fall within the jurisdiction of the court where the will was registered.

The Dubai Courts, DIFC Courts and the ADJD each have jurisdiction to settle disputes related to wills, inheritance and succession.

Payment of funeral costs, debts and bequests

Post-demise, all reasonable funeral and burial expenses must be settled by the decedent's estate, in the absence of separate provisions and financial arrangements.

Regardless of religion, the estate must also prioritise the settlement of all of the outstanding debts and liabilities of the decedent prior to making any distributions to the beneficiaries. Where wills have been registered, expenses associated with estate administration and remuneration for executors and administrators must also be deducted before any distributions are made.[32]

Once these obligations are satisfied, the residuary estate (or, where the Personal Status Law applies, up to one-third of the residuary estate) may be used to fulfil the bequests detailed in the will.[33]

Intestate succession and forced heirship

As mentioned above, intestate succession for all non-Muslims shall be determined in accordance with the Civil Personal Status Law,[34] unless the decedent is a non-UAE citizen, in which case their surviving family members may also make an application to the courts to apply the laws of the decedent's home country if this is preferred.[35]

The Civil Personal Status Law states that in the absence of a validly executed and registered will, the spouse of the decedent shall receive a 50 per cent share of the decedent's estate and the remaining 50 per cent shall be divided equally between the decedent's surviving children (regardless of their gender).[36]

If there are no surviving children, that share will devolve to the parents of the decedent (in equal shares), or half of that legacy will devolve to the surviving parent while the other half will devolve in equal shares to the decedent's siblings (regardless of gender). If there are also no surviving parents, then the entirety of that share will devolve equally to the decedent's siblings (regardless of gender).[37]

Similarly, the ADCFC and ADJD will also apply such devolution principles upon the demise of an intestate expatriate who was domiciled in the Emirate of Abu Dhabi (regardless of their religion).[38]

The Personal Status Law includes forced heirship provisions in accordance with the Islamic Principles of Sharia. As stated above, in the absence of a legally registered valid will, testamentary freedom only applies to the one-third of the estate remaining after the funeral costs have been paid and the payment of debts. The remaining two-thirds of the estate, together with any excess not given by bequest, falls within the forced heirship provisions set out in the Personal Status Law.

[32] Article 5, Law No (15) of 2017 Concerning Administration of Estates and Implementation of Wills of Non-Muslims in the Emirate of Dubai.
[33] Article 201, Personal Status Law.
[34] Federal Decree Law No 41 of 2022.
[35] Article 11(3) Federal Decree Law No 41 of 2022.
[36] Article 11(2) Federal Decree Law No 41 of 2022.
[37] Article 11(2) Federal Decree Law No 41 of 2022.
[38] Abu Dhabi Law No 14/2021.

Qualifications of an heir

To qualify as a rightful heir, a person must:

- have a relationship to the decedent listed within the forced heirship provisions (eg, parents, children, son's children, siblings, etc);
- be alive at the time of the decedent's demise;
- not have killed the decedent; and
- be of the same religion.[39]

Heirs pursuant to the forced heirship provisions

Heirs pursuant to the forced heirship provisions are the decedent's spouse, children, paternal grandfather (and great grandfather), grandmother, son's daughter (and granddaughter), full sister, paternal sister, maternal brother and maternal sister. However, depending on who has survived the decedent, not all are guaranteed shares of the estate. For example, a surviving son will preclude a surviving sibling from receiving a share of the estate.[40]

Sharia law differentiates between males and females and, therefore, distinguishes the entitlements of spouses, parents and children. Additionally, the term 'descendant' is only used to define first-degree descendants of the decedent and onward descendants of the male descendants of the decedent. Therefore, the daughter of a daughter is not a descendant for the purposes of forced heirship, whereas the daughter of a son is.[41]

The applicable forced heirship provisions are summarised in the table below and focus on the three most common categories of heirs: spouses, children and parents. If alive, each is guaranteed a share (unlike grandparents and siblings whose share is not necessarily sacrosanct). The 'estate' here refers to the entire estate in the case of intestacy, or the residuary estate after distributions are made pursuant to the applicable bequests (if applicable).

Heir	Share of the Estate
Husband	• The husband receives one-half of the estate if the decedent has no descendants. • The husband receives one-quarter of the estate if the decedent has descendants.
Wife	• The wife receives one-quarter of the estate if the decedent has no descendants. • The wife receives one-eighth of the estate if the decedent has descendants. • If the decedent has multiple wives, they divide the share of one wife equally.

[39] Articles 202, 203, 205 and 206, Personal Status Law.
[40] Articles 210-222, Personal Status Law.
[41] Article 207, Personal Status Law.

Son	• The son(s) of the decedent collectively receive the balance of the residuary estate following the distribution of any other shares. • If the decedent has both sons and daughters, then the daughters collectively receive half the entitlement of their male siblings, ie, the residuary estate is divided using a 2:1 ratio.
Daughter	• The daughter receives one-half of the estate if the decedent has no other children. • The daughters of the decedent collectively receive two-thirds of the estate if the decedent has two or more daughters and no sons. • If the decedent has both sons and daughters, then the daughters collectively receive half the entitlement of their male siblings, ie, the residuary estate is divided using a 1:2 ratio.
Father	• The father receives one-sixth of the estate if the decedent has a male descendant. • The father receives one-sixth of the estate, as well as the residuary estate (following the distribution of other shares) if the decedent has only female descendants. • The father receives the entire estate if the decedent has no spouse or descendants.
Mother	• The mother receives one-sixth of the estate if the decedent has descendants and/or two or more siblings. • The mother receives one-third of the estate if the decedent's sole survivors are their spouse and both parents. • The mother receives one-third of the estate in all other circumstances.

While the basic rules of devolution are clear, due to the vast number of possible iterations, it is recommended that a specialist adviser be consulted at the outset to determine the precise ratios of devolution.

Power of attorney

The UAE permits the execution of a power of attorney (POA), permitting an individual ('the principal') to appoint a trusted person or entity ('the attorney') to act on their behalf during periods of temporary incapacity or in relation to certain specific matters. General POAs are commonly used for broad matters, such as managing bank accounts, handling government processes or dealing with day-to-day administrative affairs, especially when the principal is located abroad or otherwise unavailable.

POAs are notarised by the notary public who approves the proposed content and powers given to each POA before they are executed and registered. If POAs are prepared for specific transactions or procedures, this must be clearly specified, and such powers are limited accordingly to prevent potential abuse and ultra vires acts.

Unlike many common law jurisdictions, the civil law framework in the UAE does not permit enduring or lasting POAs.

All POAs must be formally revoked in the UAE. The principal can legally cancel a POA at any time by issuing a notarised formal revocation using the UAE's notarial services. Once officially revoked, it is important to notify the attorney and any relevant third parties (eg, banks, regulatory authorities and government entities) of such revocation. In some cases, POAs will automatically cease to have legal effect, provided specific provisions were included to ensure that upon the demise or incapacity of the principal, the duly appointed attorney's authority shall immediately cease to exist. However, in such circumstances, a formal revocation process should still be considered to prevent potential abuse of such delegated authority in the interim period.

7. Alternative vehicles for estate planning

For testators with complex estates, business continuity concerns or the need to structure succession across generations, a will may not offer sufficient flexibility. The UAE also offers a range of well-established options for families that are looking to structure and pass on wealth through trusts and foundations. These structures are commonly used for estate and succession planning, asset protection and long-term wealth management.

Trusts involve the transfer of assets to trustees, who hold and manage those assets for the benefit of designated beneficiaries. Foundations are separate legal entities that own assets in their own name and are managed according to their governing documents.

In the UAE, trusts and foundations can be established in different legal jurisdictions. The federal government also enacted a Trust Law in 2023, which remains untested. Alongside the introduction of the UAE Trust Law in 2023, the DIFC, the Abu Dhabi Global Market (ADGM) and the Ras Al Khaimah International Corporate Centre (RAKICC) continue to offer their own established legal frameworks, each with distinct rules and structuring options.

Trusts

A trust is a private legal arrangement created by a settlor (usually the original legal owner of the assets), who transfers those assets to one or more trustees. Once the transfer is made, the trustees are responsible for legally owning and managing the assets for the benefit of designated beneficiaries. The rules governing how the trust operates, including asset management and distributions, are detailed within a legal document known as the trust deed. As trusts share several similarities with the Islamic concept of *waqf*, it may be a familiar and acceptable structuring option for families based in the UAE. The UAE mainland, DIFC and ADGM each have their own trust frameworks.

MAINLAND UAE TRUSTS

Federal Decree Law No 31 of 2023 Concerning Trusts (the 'UAE Trust Law') introduces common law trust arrangements as a wealth structuring option in the UAE. The UAE Trust Law operates throughout the UAE, but does not apply to the DIFC or ADGM.

A UAE trust is created by a natural or legal person (the settlor), who then transfers their assets into the trust. The settlor must also prepare a trust deed, which specifies the terms and conditions relating to the trust. Once transferred, the assets are owned by the trust, which has its own legal personality (similar to a company).[42] The settlor may transfer additional property

[42] Article 3, UAE Trust Law.

to the trust at a later date, unless the trust deed specifies otherwise.[43] The trust holds assets for the benefit of one or more beneficiary/ies and assets are distributed in accordance with the trust deed.

The trust deed must be registered with the appropriate authority, which issues registration and validity certificates for the trust.[44] The registration authority varies by emirate.

A trustee must be appointed in accordance with the trust deed to oversee and protect the trust, similar to the guardian of a foundation. The trustee may be a natural or legal person. Corporate trustees are common and must be licensed as professional trustees in the UAE. The settlor may be a trustee and/or a beneficiary.[45]

DIFC TRUSTS

The DIFC was the first UAE jurisdiction to introduce trust legislation, DIFC Law No 4 of 2018, which was subsequently amended in 2018 and 2023 (the 'DIFC Trust Law').

Unlike some other jurisdictions, a DIFC trust can be of unlimited duration.[46] There is no register of trust documents in the DIFC, and trust deeds are not available for public scrutiny. The DIFC Trust Law allows for various types of trusts to be established, eg, discretionary trusts, non-charitable purpose trusts and reserved power trusts.

The DIFC Trust Law contains some of the strongest firewall provisions among global financial centres, protecting DIFC trusts from enforcement activity by foreign judgments.[47] Duress provisions within the DIFC Trust Law offer enhanced protection by requiring a trustee to immediately cease to act in relation to the trust where a foreign judgment has been made against them.[48]

Being staffed by judges from other prominent common law jurisdictions, the DIFC courts have a high level of proficiency in the law of trusts.

ADGM TRUSTS

ADGM trusts are governed by English law and the ADGM Trusts (Special Provisions) Regulations of 2016. In line with common law principles, there are no formal registration or recording requirements for an ADGM trust. Once a trust deed has been executed, the settlor must appoint a trustee. If the settlor opts to appoint a professional trustee, the trustee must be an ADGM-licensed trustee company.

The ADGM trust regime also:

- places limitations on the enforcement of foreign judgments;[49]
- has limited recognition of foreign heirship rules for property held by an ADGM trust, with the exception of immovable property located outside of the ADGM;[50]

[43] Article 7(1), UAE Trust Law.
[44] Article 5, UAE Trust Law.
[45] Article 13, UAE Trust Law.
[46] Article 36(1), DIFC Trust Law.
[47] Eg, Articles 14 and 16, DIFC Trust Law.
[48] Article 16A, DIFC Trust Law.
[49] Article 3 of ADGM Trusts (Special Provisions) Regulations 2016.
[50] Article 2 of ADGM Trusts (Special Provisions) Regulations 2016.

- has special rules for non-charitable purpose trusts;[51]
- limits the liability of trustees;[52] and
- permits trusts to exist in perpetuity, unless the terms of the trust provide otherwise.

Foundations

A foundation is an independent legal entity with its own legal personality, similar to a company. Unlike a company, however, it has no shareholders and does not issue shares or ownership titles. Foundations can only carry out commercial activities if they are necessary, ancillary or incidental to achieving its stated purposes and objectives. Unlike a trust, there is no immediate requirement to transfer any assets to the foundation at the time of its establishment. The founder can contribute assets to the foundation, as can other persons, who are then known as contributors. Foundations are widely recognised across the UAE and internationally. They have grown in popularity since their introduction in the UAE, particularly due to the flexibility they offer in terms of the ownership, management and long-term preservation of assets.

Foundations are typically managed by a council (similar to a board of directors) made up of two or more persons, which may include corporate entities. A foundation may be protected by a guardian. This is usually a trusted family adviser who is chosen and appointed by the founder to provide a veto right and oversight in regard to the council's decisions, and to ensure that the foundation's charter and bylaws are followed by the council, in accordance with the founder's wishes.

Founders typically retain certain exclusive powers over the foundation, such as the right to wind-up and liquidate the foundation at any point in time during their lifespan or the right to change the objects of the foundation. The founder may act as a council member or as the guardian. However, a guardian cannot act as a council member.

Foundations are favoured for purposes such as:

- the consolidation and protection of family wealth;
- an effective estate and succession planning solution;
- commercial transactions;
- securitisation structures;
- long-term businesses holdings;
- anti-hostile takeover instruments; and
- charitable purposes.

DIFC FOUNDATIONS

The DIFC has its own foundations legal framework. A foundation created pursuant to Law No 3 of 2018 (the 'DIFC Foundations Law') allows founders to hold and manage assets, support family governance or pursue philanthropic purposes.

A DIFC foundation is governed by its charter and bylaws. The charter (similar to the memorandum of association of a company) must be registered with the DIFC Registrar.[53] However, the bylaws (similar to a shareholder's agreement) are private documents and can be easily modified when changes occur.

---

[51] Article 4 of ADGM Trusts (Special Provisions) Regulations 2016.

[52] Article 5(1) of ADGM Trusts (Special Provisions) Regulations 2016.

[53] Article 17(2)(f), DIFC Foundations Law.

Once registered, the foundation's details appear on the DIFC Register and are publicly accessible. For greater privacy, founders can pay an additional fee to register their foundation on the DIFC Private Register, which keeps the foundation's information confidential.

The DIFC offers a high degree of flexibility, allowing the conversion of foundations into companies and vice versa. DIFC foundations can also be easily re-domiciled to and from other jurisdictions.

Similar to the DIFC Trust Law, the DIFC Foundations Law contains enhanced firewall and duress provisions that protect the foundation and its assets from foreign court decisions.[54]

ADGM FOUNDATIONS

The ADGM was the first jurisdiction in the UAE to introduce foundations as wealth management solutions pursuant to the ADGM Foundations Regulations 2017. An ADGM foundation can be registered for a variety of purposes, such as wealth preservation, real estate management, succession planning or income protection. However, unlike a DIFC foundation, an ADGM foundation cannot be used for charitable purposes.

A foundation must be registered with the ADGM Registrar and must maintain a registered office in the ADGM, which can be accomplished by retaining an ADGM-licensed corporate service provider.[55] Registered foundations appear on the ADGM Public Register. However, the foundation charter and the details of the founder, council members, guardians and beneficiaries remain private.[56]

ADGM foundations are permitted to own all types of assets, including real property, intellectual property rights, company shares and financial investments. Council members can be natural persons and/or legal entities.

RAK ICC FOUNDATIONS

The Ras Al Khaimah International Corporate Centre (RAK ICC) provides a standalone corporate and commercial legal framework in the Emirate of Ras Al Khaimah, operating independently from the UAE's onshore legal system and supported by its own registry. Like the DIFC and ADGM, RAK ICC has an independent foundations regime.

The RAK ICC Foundations Regulations 2019 are based on international best practice and are similar to the foundation regimes in the DIFC and ADGM. Significant updates were introduced in 2025, including firewall and duress provisions similar to those in the DIFC and ADGM.[57] RAK ICC does not have its own court system. The charter and bylaws of a RAK ICC foundation must specify either the DIFC courts or ADGM courts as the forum for dispute resolution (and this may include arbitration under the applicable rules of either jurisdiction).[58]

---

[54] Articles 16 and 16A, DIFC Foundations Law.
[55] Articles 3 and 5(1), ADGM Foundations Regulations.
[56] Article 7(11), ADGM Foundations Regulations.
[57] Articles 7(6)-(8) and 25A, RAK ICC Foundations Regulations.
[58] Articles 3 and 67, RAK ICC Foundations Regulations.

Waqf (endowment)

In the UAE, an endowment (singular: *waqf*, plural: *awqaf*) can be established under statutory law. A *waqf* offers a Sharia-compliant approach to wealth structuring that is aligned with regional customs and practices.

A *waqf* is a form of endowment under which the ownership of assets is transferred to a legal entity that manages the assets for a defined period for the benefit of named beneficiaries or a charitable cause.

Within the UAE, endowment laws exist at both the federal and emirate levels, including in Sharjah, Dubai and Abu Dhabi. While the *waqf* shares some characteristics with trusts, foundations and companies, they differ in that a *waqf* does not provide an automatic right to change the endowed property. The rights of the parties involved are determined according to the law under which the *waqf* is established and government authorities retain significant powers to oversee and intervene in its administration.

In accordance with Federal Law No (5) of 2018 on Waqf (Endowment) (the 'UAE Waqf Law'), the settlor (*waqif*) must be legally competent and must not establish a *waqf* in order to avoid the payment of debt, pre-emption rights or laws of inheritance.[59] For a *waqf* to be legally valid, the settlor (*waqif*), or their legal representative, must obtain a certificate from the competent court and register the *waqf* in the designated register at the emirate level.[60]

A *waqf* may be established during the settlor's life or after their death. However, if it is established after the settlor's death or while the settlor is terminally ill, its value may not exceed one-third of the settlor's property at the time of establishing *waqf*.[61]

8. Taxation

Domicile and residency

DOMICILE FOR INDIVIDUALS

The UAE does not recognise the concept of domicile as a connecting factor for tax purposes in the manner traditionally adopted in common law jurisdictions. Instead, the UAE tax system relies on the notion of tax residency.[62]

Pursuant to Article 2 of the Tax Residency Decision, an individual shall be considered a tax resident in the UAE when one of the following criteria are satisfied:

- the individual's usual or principal place of residence and centre of financial and personal interests is located in the UAE;
- the individual is physically present in the UAE for a period of 183 days or more within a 12-month period; or
- the individual is physically present in the UAE for a period of 90 days or more, provided that such individual is a UAE national, a Gulf Cooperation Council (GCC) national or holds a valid residence permit and maintains a permanent place of residence or carries on employment or business in the UAE.

[59] Articles 9(1)(a) and (d), UAE Waqf Law.
[60] Articles 9(1) and 10, UAE Waqf Law.
[61] Articles 5(1)(e) and 9(2), UAE Waqf Law.
[62] As defined under Cabinet Decision No (85) of 2022 on the Determination of Tax Residency (the 'Tax Residency Decision').

In the context of cross-border situations, residency may further be determined in accordance with an applicable double taxation agreement (DTA), which typically incorporates tie-breaker rules, based on the individual's 'centre of vital interests', habitual abode and nationality.

Notwithstanding the above, and in contrast to most Organisation for Economic Cooperation and Development (OECD) jurisdictions, the UAE does not impose personal income tax on individuals. Consequently, income derived by individuals, including employment income, investment income and capital gains, remains outside the scope of taxation in the UAE, subject only to the limited circumstances in which an individual may be carrying on a taxable business.[63]

RESIDENCY FOR LEGAL PERSONS

The determination of corporate tax residence is governed by Article 11(3) of Federal Decree Law No (47) of 2022 on the Taxation of Corporations and Businesses (the 'Corporate Tax Law'). A juridical person shall be considered a resident person where they are either:

- incorporated, established or otherwise recognised in the UAE, including within a free zone; or
- incorporated outside the UAE but effectively managed and controlled within the UAE.

The concept of effective management and control is not exhaustively defined in the Corporate Tax Law, but is generally understood to refer to the place where key management and commercial decisions necessary for the conduct of the entity's business are, in substance, made.

Resident juridical persons are subject to corporate tax on their worldwide income.[64]

Corporate income tax: an overview

The UAE introduced a federal corporate tax regime pursuant to the Corporate Tax Law, which applies to financial years commencing on or after 1 June 2023.

Under the Corporate Tax Law, corporate tax is imposed at a standard rate of nine per cent on taxable income exceeding AED375,000, with a zero per cent rate applicable below this threshold.[65]

The scope of taxation extends to taxable persons, as defined under Article 11, including both resident persons and non-resident persons. A non-resident person is subject to tax when they:

- have a permanent establishment in the UAE within the meaning of Article 14 of the Corporate Tax Law;
- derive state-sourced income, as defined under Article 13 of the Corporate Tax Law; or
- have a nexus in the UAE, including in relation to immovable property.

[63] Article 11(6), Corporate Tax Law.
[64] Article 11(2),Corporate Tax Law, subject to the application of exemptions under Articles 4 to 10 and relief under applicable DTAs.
[65] Article 3, Corporate Tax Law.

The Corporate Tax Law further provides for several categories of 'exempt persons',[66] which are not subject to corporate tax, including government entities, government-controlled entities and qualifying public benefit entities.[67]

A distinguishing feature of the UAE corporate tax framework lies in the continued availability of preferential regimes applicable to free zone entities, which operate alongside the federal tax system. In particular, a 'qualifying free zone person' (QFZP), as defined under Article 18 of the Corporate Tax Law and further elaborated in Cabinet Decision No (100) of 2023 and Ministerial Decision No (139) of 2023, may benefit from a zero per cent corporate tax rate on 'qualifying income', subject to the satisfaction of conditions relating, inter alia, to adequate economic substance, the nature of the activities performed and compliance with transfer pricing and documentation requirements. Non-qualifying income remains subject to the standard nine per cent tax rate.

This dual regime, combining a federal corporate tax system with a preferential free zone framework, constitutes a central feature of the UAE's fiscal landscape and plays a critical role in the structuring of holding, investment and estate planning vehicles.

In addition, a key feature of the UAE corporate tax regime is the participation exemption under Article 23 of the Corporate Tax Law, further elaborated in Ministerial Decision No (302) of 2024, pursuant to which dividends and capital gains derived from a qualifying shareholding may be exempt from corporate tax, subject to the satisfaction of the minimum ownership, holding period and subject-to-tax conditions.

CORPORATE TAX LIABILITY

Corporate tax liability in the UAE is determined in reference to the dual connecting factors of residence and source, as articulated under Articles 11 and 13 of the Corporate Tax Law.

Resident persons are subject to tax on their worldwide income, whereas non-resident persons are subject to tax only on income attributable to a UAE nexus, including permanent establishments[68] and state-sourced income.[69]

Taxable income is determined in reference to accounting profits, subject to the adjustments prescribed under Article 20, including exclusions for exempt income[70] and the participation exemption.[71]

The tax treatment of trusts and foundations

The UAE corporate tax framework introduces, for the first time, a comprehensive regime governing the taxation of private wealth structures, including trusts, foundations and similar entities, collectively referred to as 'family foundations' under the Corporate Tax Law.[72]

It should be noted at the outset that a 'family foundation' for purposes of the Corporate Tax Law is a fiscal classification and not a distinct legal form of legal entity. Therefore, entities

---

[66] Article 4, Corporate Tax Law.

[67] Article 9, Corporate Tax Law, read together with Cabinet Decision No (37) of 2023.

[68] Article 14, Corporate Tax Law.

[69] Article 13, Corporate Tax Law.

[70] Article 22, Corporate Tax Law.

[71] Article 23, Corporate Tax Law.

[72] Article 1, Corporate Tax Law; FTA Corporate Tax Guide CTGFF1, May 2025 (the 'FTA Guide').

taking different legal forms (including DIFC, ADGM or RAK ICC foundations, trusts or similar entities) can meet the definition of a family foundation under the Corporate Tax Law.

LEGAL CHARACTERISATION AND DEFAULT TREATMENT

Where a foundation or trust possesses a separate legal personality, it constitutes a juridical person for the purposes of Article 11 and is, prima facie, subject to corporate tax. Conversely, where a trust does not have legal personality, it is treated as an unincorporated partnership. Therefore, it is treated as fiscally transparent by default.[73]

This distinction is fundamental, as it determines whether taxation arises at the level of the entity or at the level of its beneficiaries.

FAMILY FOUNDATION REGIME AND ELECTION FOR TRANSPARENCY

The Corporate Tax Law introduces a specific regime whereby a foundation, trust or similar entity may qualify as a family foundation and, through the making of an application to the Federal Tax Authority (FTA), may be treated as an unincorporated partnership for corporate tax purposes.

The conditions set out under Article 17(1) of the Corporate Tax Law, further elaborated in Ministerial Decision No (261) of 2024 and the FTA Guide, include:

- a beneficiary condition, requiring that the entity be established for the benefit of identified or identifiable natural persons or public benefit entities;
- a principal activity condition, requiring that the entity's activities be limited to holding, managing and investing assets;
- a no business activity condition, prohibiting the conduct of commercial activities that would constitute a business if undertaken directly by a natural person;
- a no tax avoidance condition; and
- specific distribution requirements where the beneficiaries include public benefit entities.

These conditions reflect a clear legislative intent to distinguish genuine estate planning vehicles from commercial structures.

FISCAL TRANSPARENCY AND ATTRIBUTION PRINCIPLE

Where a family foundation is treated as an unincorporated partnership, it is fiscally transparent and, therefore, not subject to corporate tax. Instead, the income, assets, liabilities and activities of the family foundation are deemed to be those of its beneficiaries, in proportion to their distributive share.[74]

This 'look-through' approach ensures that taxation aligns with the economic ownership of the underlying assets, rather than the legal ownership structure.

THE TAX TREATMENT OF BENEFICIARIES

The tax consequences at the level of beneficiaries depend on their status:

---

[73] A foundation always has a distinct legal personality. By contrast, a trust established under the UAE's civil law framework has a separate legal personality, but under common law regimes (including the ADGM and DIFC), it does not.
[74] Article 16(2), Corporate Tax Law.

- natural persons are not subject to corporate tax on income attributed to them through a family foundation, insofar as such income constitutes personal investment income or real estate investment income, which falls outside the scope of corporate tax; and

- qualifying public benefit entities are exempt from corporate tax; other beneficiaries, including foreign entities, may be subject to corporate tax where they have a UAE nexus.

MULTI-TIER STRUCTURES

The Corporate Tax Law accommodates multi-tier wealth structures, whereby juridical persons wholly owned and controlled by a family foundation may themselves elect to be treated as fiscally transparent, provided that the conditions of Article 17(1) are satisfied and that ownership is maintained through an uninterrupted chain of transparent entities.[75]

In such cases, income flows through the entire structure and is ultimately attributed to the beneficiaries, thereby preventing intermediate taxation.

Withholding tax

Withholding tax is imposed at a rate of zero per cent on UAE-sourced income.[76] Accordingly, no withholding tax applies to payments of dividends, interest, royalties or other forms of income made to non-residents.

Real estate transfer taxes

The UAE does not impose a federal tax on transfers of immovable property. However, transfer fees are levied at the emirate level, notably in Dubai (generally four per cent) and Abu Dhabi (approximately two per cent).

These charges, while not strictly characterised as taxes, constitute a material transactional cost in estate planning involving UAE real estate.

The absence of estate and gift taxes

The UAE does not levy any estate, inheritance or gift taxes, whether at the federal or emirate level.

This absence of transfer taxation, when combined with the fiscal transparency regime applicable to family foundations and trusts, creates a particularly favourable environment for intergenerational wealth planning.

Double tax treaties

The UAE has concluded an extensive network of DTAs, which allocate taxing rights, provide relief from double taxation and establish tie-breaker rules for residency.

---

[75] Article 5(2), Ministerial Decision No (261) of 2024.
[76] Article 45, Corporate Tax Law.

These agreements are of particular importance in structuring cross-border estates involving UAE holding entities, trusts or foundations, especially where foreign source income or foreign situs assets are involved.