

GIBSON DUNN

Mergers & Acquisitions | Private Equity Update

February 12, 2026

DIFC Variable Capital Company Regulations 2026

The Dubai International Financial Centre Authority has now issued the Variable Capital Company Regulations 2026, which were enacted on 9 February 2026.

Further to our [previous update](#), the Dubai International Financial Centre Authority has now issued the Variable Capital Company Regulations 2026 (**Regulations**), which were enacted on 9 February 2026. Some of the key updates to the draft regulations in 2025 include:

Removal of the Qualifying Applicant Concept

One of the most significant changes in the final Regulations is the removal of the previous "Qualifying Purpose" requirements that restricted VCC formation to specific structures such as Aviation Structures, Crowdfunding Structures, Intellectual Property Structures, Maritime Structures, Structured Financing, and Secondaries Structures. Under the final Regulations, these flexible corporate forms are now available more broadly to applicants without the need to demonstrate a specific qualifying purpose.

Introduction of the "Exempt VCC" Category

The Regulations introduce an "Exempt VCC" category, which applies where the Controller of a Variable Capital Company is: (a) a Registered Person; (b) an Authorised Firm; (c) a Government Entity; or (d) a Publicly Listed Entity. Incorporated Cells of an Exempt VCC are automatically deemed exempt. Exempt VCCs benefit from certain operational flexibilities, including the ability to

use the Registered Office of an Affiliate rather than being required to appoint a Corporate Service Provider.

Mandatory Corporate Service Provider Requirement

Unless a VCC qualifies as an Exempt VCC, it must appoint a Corporate Service Provider to act on its behalf, and the same requirement applies to its Incorporated Cells. A VCC that fails to comply with this requirement is liable to a fine of up to USD 20,000 and up to USD 100,000 for failure to make documents and information available to its Corporate Service Provider.

The Regulations introduce a comprehensive framework governing the duties and obligations of Corporate Service Providers, including requirements to lodge documents and fees with the Registrar, make filings on behalf of the VCC, and maintain copies of required records. Corporate Service Providers are required to provide a Cessation Notice to the Registrar within ten days if they cease to act for a VCC, with failure to do so attracting a fine of up to USD 2,000.

Continuation of a VCC Outside the DIFC

The Regulations introduce notice requirements where a VCC seeks to be continued as a Foreign Company in a foreign jurisdiction. The VCC must provide thirty days' notice to creditors and persons with outstanding contracts, and publish a notice in an Appointed Publication at least thirty to forty-five days prior to applying for such continuation.

Removal of Incorporated Cell Transfer Provisions

Article 10.3 of the draft regulations, which provided a detailed framework for the transfer of an Incorporated Cell from one VCC to another (including the Transfer Agreement process, director declarations, and Registrar approval procedures), has been removed entirely from the final Regulations.

The following Gibson Dunn lawyers prepared this update: Andrew Steele and Omar Morsy.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding these issues. For additional information about how we may assist you, please contact the Gibson Dunn lawyer with whom you usually work, any leader or member of the firm's Mergers & Acquisitions or Private Equity practice groups, or the authors:

Andrew Steele – Abu Dhabi (+971 2 234 2621, asteele@gibsondunn.com)

Omar Morsy – Dubai (+971 4 318 4608, omorsy@gibsondunn.com)

Attorney Advertising: These materials were prepared for general informational purposes only based on information available at the time of publication and are not intended as, do not constitute, and should not be relied upon as, legal advice or a legal opinion on any specific facts or circumstances. Gibson Dunn (and its affiliates, attorneys, and employees) shall not have any liability in connection with any use of these materials. The sharing of these materials does not establish an attorney-client relationship with the recipient and should not be relied upon as an alternative for advice from qualified counsel. Please note that facts and circumstances may vary, and prior results do not guarantee a similar outcome.

If you would prefer NOT to receive future emailings such as this from the firm,
please reply to this email with "Unsubscribe" in the subject line.

If you would prefer to be removed from ALL of our email lists,
please reply to this email with "Unsubscribe All" in the subject line. Thank you.

© 2026 Gibson, Dunn & Crutcher LLP. All rights reserved. For contact and other information, please visit our [website](#).