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## 2026 Proposed Amendments to the DIFC Prescribed Company Regime

*The DIFCA published a consultation paper on 30 April 2026 seeking public comment on certain proposed amendments to the DIFC Prescribed Company Regulations. The public consultation is open until 2 June 2026.*

The Dubai International Financial Centre Authority (the **DIFCA**) has published Consultation Paper No. 1 of 2026 (the **Consultation Paper**) outlining certain proposed amendments to the DIFC Prescribed Company Regulations (the **PC Regulations**). The PC Regulations were enacted in 2019 (repealing and replacing the DIFC Special Purpose Company Regulations) and were most recently amended on 15 July 2024 (please refer to our analysis of such amendments [here](#)).

The proposed amendments to the PC Regulations as described in the Consultation Paper (the **Proposed Amendments**) seek to ensure enhanced oversight of prescribed companies (**PCs**) and remove the remaining qualifying purpose, applicant and nexus-based eligibility requirements in the PC Regulations.

These Proposed Amendments intend to broaden applicants' access to the PC regime in the DIFC and the DIFCA has noted that in light of the UAE's corporate tax regime and the UAE's adherence to global tax reporting standards, such objective is now appropriate from a risk perspective.

Unless the context requires otherwise, capitalised terms used in this article have the meaning given to them in the PC Regulations (as proposed to be amended pursuant to the Proposed Amendments).

## **Summary of the Key Proposed Amendments**

### 1. Removal of “Qualifying Purpose” Restriction

The Proposed Amendments seek to remove the requirement for a PC to be established for a Qualifying Purpose. Under the existing PC Regulations, the list of Qualifying Purposes includes the following:

- an Aviation Structure;
- a Crowdfunding Structure;
- an Intellectual Property Structure;
- a Maritime Structure; or
- a Structured Financing.

This proposed change to the PC Regulations would make the regime available to a wider universe of persons who wish to facilitate business in or from the DIFC via holding company vehicles that benefit from lower incorporation and licensing fees.

### 2. Increased Oversight through Corporate Service Providers

The Proposed Amendments aim to increase the oversight of PCs by mandating the appointment of a Corporate Service Provider (a **CSP**), unless a PC falls within the category of being an Exempt PC.

The Proposed Amendments introduce a new definition of an Exempt PC, being any PC where the person Controlling such PC is either:

- a Registered Person;
- an Authorised Firm;
- a Government Entity (which is intended to include governments of any Recognised Jurisdiction pursuant to the Proposed Amendments); or
- a Publicly Listed Entity (which is a new definition intended to be introduced by the Proposed Amendments and which purports to include any body corporate with any class of securities listed on a securities exchange in a Recognised Jurisdiction).

For PCs which have been incorporated prior to the date the Proposed Amendments come into force (the **Enactment Date**) and do not fall within the category of being an Exempt PC, the Proposed Amendments provide that such PCs will have a period of six (6) months following the Enactment Date to appoint a CSP.

The Proposed Amendments seek to enhance the CSP's role by requiring a CSP to, without limitation:

- maintain a copy of all records that a PC is required to keep pursuant to the PC Regulations; and
- keep such records up to date and readily accessible for the Registrar.

The Proposed Amendments further demonstrate the importance of procuring enhanced regulatory compliance by and oversight of PCs by stating that failure to appoint a CSP could result in a PC being liable to a fine up to USD 20,000. In addition, any failure by a PC to make required documents and information available to its CSP could result in a PC being liable to a fine up to USD 100,000.

### 3. Ability for PCs to Hold Assets for Funds and Family Offices

The Proposed Amendments provide that, as a general rule, a PC shall not be used by any Authorised Firm (being a person that holds a licence from the Dubai Financial Services Authority (the **DFSA**) or another Recognised Financial Services Regulator) in the provision of a Financial Service in or from the DIFC, or to establish a Fund, unless expressly permitted by the DFSA.

Notwithstanding the above, the Proposed Amendments would permit a PC to hold assets for:

- a Crowdfunding Structure;
- a Fund; and
- a Family Office providing Family Office Services.

As noted above, under the existing PC Regulations, a Qualifying Purpose includes a Crowdfunding Structure. However, the ability for a PC to hold assets for a Fund or a Family Office pursuant to the Proposed Amendments would broaden a PC's purpose.

### 4. Employment Prohibitions

The existing PC Regulations provide that PCs are not permitted to employ any Employees. The Proposed Amendments look to expand on this prohibition by also referring to any other form of workers.

However, this additional prohibition would not prevent a PC from appointing directors or hiring third-party service providers (such as advisory firms).

## **Conclusion**

Whilst the outcome of the public consultation and the enactment of any amendments to the PC Regulations remains to be seen, the scope of the Proposed Amendments demonstrate the DIFCA's appetite to both: (1) encourage more companies to apply under the PC regime and

facilitate business in or from the DIFC via holding company vehicles that benefit from lower incorporation and licensing fees; and (2) enhance compliance and oversight of existing PCs.

Existing PCs should be mindful of the scope of the Proposed Amendments, namely the requirement to appoint a CSP, to ensure any additional compliance obligations can be satisfied within the prescribed timeframes.

**The following Gibson Dunn lawyers prepared this update: Andrew Steele and Krishna Parikh.**

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:

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