

The International Family Offices Journal

Editor: Nicola Saccardo

Editorial

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Gabriel Gotlib, Fernando M Vaquero and Santiago T Mazzilli

Latest insights into global attitudes to wealth

Emily Deane

Birthstones – from aquamarine to tanzanite

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Capital in transition: tax, structuring and real estate across borders (Part Two)

From tax shift to asset shift: real estate, yields and structuring across the United Kingdom and United Arab Emirates

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Selection from STEP News Digests

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Welcome to the 37th issue of The International Family Offices Journal

Nicola Saccardo

As we turn towards the Autumn, this can indicate the start of a busy few months, but also a time for reflection. I hope that this latest issue of the Journal will help ease everybody back into business mode with some thought-provoking articles.

Gabriel Gotlib, Fernando M Vaquero and Santiago T Mazzilli introduce some interesting insights into the treatment of trust structures in Argentina and, in particular, in what circumstances trusts qualify as opaque for tax purposes and when they do not. In this article the authors examine a number of cases heard in the Argentine courts, offering understanding of the Argentine approach to trusts.

Next, Emily Deane presents some fascinating research undertaken by STEP to understand attitudes and views on wealth taxes and higher taxation rates among high-net-worth and ultra-high-net-worth individuals, drawing on responses from trust, estates and taxation practitioners worldwide. The recent undertaking by STEP outlines some noteworthy trends globally in relation to taxation and asset protection views.

Alexandra Morris Robson and Thomas Meadham tell readers about the exciting world of luxury jewels, in particular birth stones! Something to give pleasure but also offer investment opportunities.

Engagement with Generation Z and the 'next gen' is vitally important in the family office sphere. As such, it is something we often consider. Paul Edelman explores how 'rising-gens' can be guided and coached to make confident decisions in a family office context. He explores five key considerations: identity and autonomy; skills and timing; role clarity; cultural fit; and fair compensation. A focus on the next generation is also explored by Thomas Marte and Benjamin Vetterli in their examination of the use of Liechtenstein private label funds. They explore how funds of this kind can be used to streamline wealth management, safeguard assets and create sustainable framework planning across generations.

Those working in family offices, and connected third-party advisers, understand how critical communication is in this context. Suzanne Lauritzen explores how cultural considerations and dimensions impact how we communicate and provides a practical framework to help advisers

uncover what lies beneath discussions with family members. Suzanne brings these issues to life using a number of examples.

Ryan Dixon provides some jurisdiction-based insight in his exploration of real estate structuring across the United Kingdom and the United Arab Emirates. This follows on from Craig Ritchie's piece in the 36th issue of the Journal. He observes that while the United Kingdom is still an attractive jurisdiction for purchasers, Dubai is increasingly gaining attention and traction for international multi-jurisdictional families. Hermione Harrison and Yann Mrazek also shine the spotlight on the United Arab Emirates. This time the focus is on foundations. They explore how UAE foundations can act as a platform on which long-term strategies can be built together with an introduction on how they operate and are taxed.

Matrimonial issues can often cause a great deal of pressure and stress in a family office set up. Steven Malech and Miranda Fisher explore the challenges facing principals seeking to protect wealth. The international nature of many families can lead to uncertainty as to divorce proceedings, including the jurisdiction in which those proceedings occur. In this article Steven and Miranda explore pre-divorce planning, asset division and litigation in both the United Kingdom and the United States.

Myriam Soto explores how families and those advising them are increasingly focused on contingency 'just in case' plans, should they need to relocate their family or their assets urgently. She explores physical relocation planning and asset relocation planning including a focus on US trusts and the impact on these structures if one or more party connected to a trust becomes resident in another country. Ada K Colomb explores expatriation and US tax in her article, drawing on her experience across border estate planning and probate. She notes that US tax laws surrounding expatriation can have significant consequences and lead to unexpected results.

Lastly, we include the news selection from STEP News Digests in the usual way.

Governance, succession and control: UAE foundations as strategic tools for global families¹

Hermione Harrison and Yann Mrazek

Introduction

The United Arab Emirates (UAE) has engineered a sophisticated legal and policy environment to attract internationally mobile families seeking continuity, confidentiality and long-term security in wealth management. Over the past decade, the country has taken deliberate steps to globalise its private wealth platform, positioning itself as a neutral and well-regulated jurisdiction that can support complex and multi-generational strategies.

Much like a well-stocked kitchen prepared for varied palates, the UAE's wealth structuring framework offers families a carefully assembled mix of ingredients. These include foundations, special purpose vehicles (SPVs), restricted scope companies (RSCs), variable capital companies (VCCs) and single-family office (SFO) regimes, each tailored to specific governance, control and succession objectives. At the heart of this offering is the UAE foundation.

The introduction of the Abu Dhabi Global Market (ADGM) Foundations Regulations in 2017 and the Dubai International Financial Centre (DIFC) Foundations Law No 3 of 2018 marked a pivotal expansion of the UAE's structuring toolkit.² These regimes were later complemented by the Ras Al Khaimah International Corporate Centre (RAK ICC) Foundations Regulations of 2019 – recently amended in August 2025.³ While the legal framework of RAK ICC foundations has evolved to mirror many of the features offered by the ADGM and the DIFC, key institutional differences remain. Unlike the ADGM

and the DIFC, RAK ICC does not operate its own common law court system or maintain an integrated financial regulatory authority. Consequently, RAK ICC foundations are typically more appropriate for straightforward, domestic or regional planning, whereas the ADGM and the DIFC continue to be the preferred jurisdictions for international families requiring robust dispute resolution, cross-border enforceability and access to sophisticated financial ecosystems.

The foundation frameworks available in each of these jurisdictions enable the establishment of standalone legal entities with full legal personality, supporting succession, governance and asset protection in a flexible and coherent manner. Families can 'cook to taste' by customising governance rules, disapplying foreign forced heirship provisions, establishing private oversight mechanisms and adapting the structure as circumstances evolve. UAE foundations have proven especially effective in consolidating cross-border assets, meeting regulatory and tax requirements across jurisdictions and protecting wealth from fragmentation over successive generations.

Today, the UAE's foundation regimes form the base layer of the country's private wealth framework. This layer acts as a durable and adaptable platform upon which internationally connected families can design long-term strategies that protect legacy, facilitate transitions and enhance control.

The UAE's growing role in long-term family structuring

The sharp rise in foundation registrations underscores their growing appeal for families seeking formalised, jurisdictionally recognised and enforceable governance frameworks. As of 29 July 2025, the ADGM reported a total of 490 foundations, while the DIFC recorded 1,003 and RAK ICC 433. This brings the UAE's total number of registered foundations to 1,926, compared to just 207 five years ago. Projections suggest that the UAE will register over 700 new foundations by the end of 2025 bringing the total number of foundations in the UAE to 2,200+.⁴

This growth reflects a broader shift. Globally mobile families are moving away from fragmented holding

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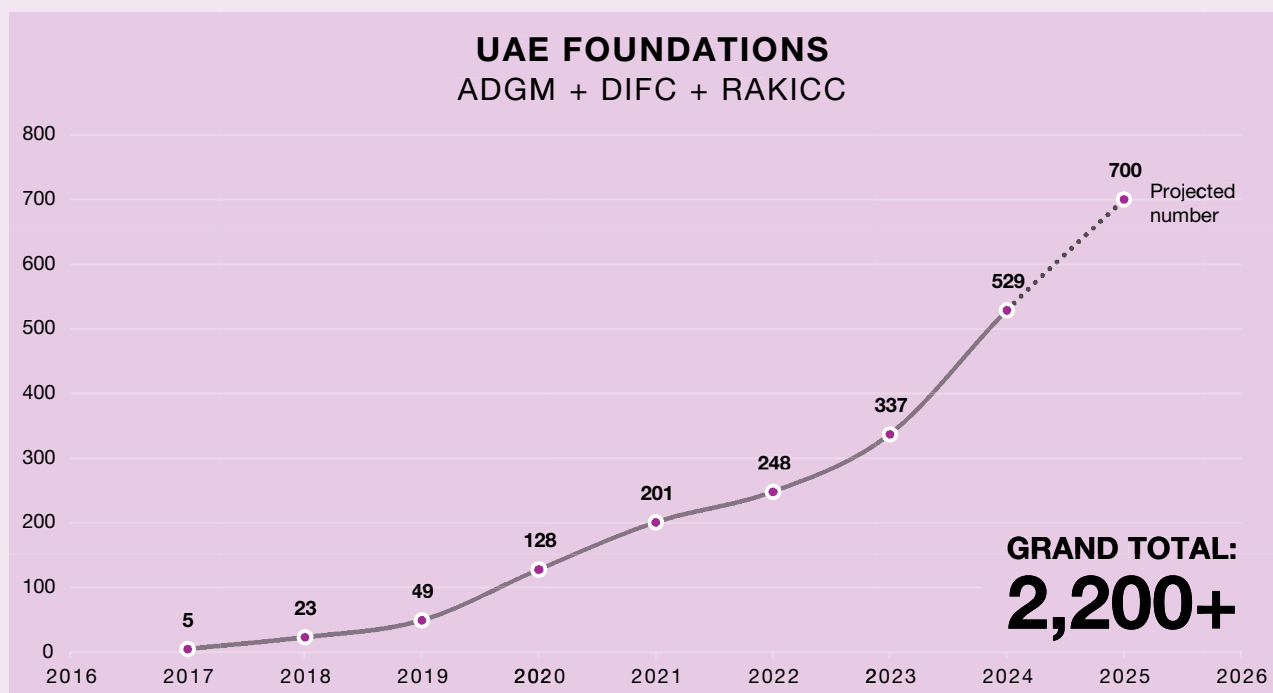


Figure 1: Foundation growth across the UAE from 2016.

models and informal succession planning towards proactive, institutionalised governance frameworks that offer better asset protection, legacy planning, regulatory compliance and privacy without complexity.

Clear and flexible governance

UAE foundations offer a robust legal governance framework that underpins orderly succession and safeguards founder intent. Each foundation is governed by a suite of constitutional documents, including charters, by-laws and letters of wishes, that form a coherent governance framework. These instruments define the roles and responsibilities of the founder, councillors and guardian, while embedding mechanisms for dispute resolution and asset distribution.

A key feature of this structure is the statutory protection from foreign forced heirship rules. Article 32 of the ADGM Foundations Regulations 2017 provides statutory protection against foreign forced heirship rules and guarantees that transfers, vesting or distributions made in accordance with the charter or by-laws will not be void, voidable or set aside on the basis of any foreign inheritance laws.⁵ The DIFC follows suit under Articles 14 and 15 of the Foundations Law No 3 of 2018, which states that a foundation's distributions and entitlements cannot be challenged on the basis of foreign forced heirship claims.⁶ RAK ICC offers comparable protection in Articles 7 and 8 of its Foundations Regulations 2019, Amendments 2025.⁷

Across all three regimes, councillors are fiduciaries

to the foundation but not to the beneficiaries. This delineation ensures that the councillors' duties are aligned with the long-term purpose of the foundation, while shielding them from external influence or conflicting beneficiary demands.

Founders may also reserve powers such as amending the by-laws, appointing or removing councillors or guardians, or vetoing certain decisions. This flexibility allows them to adjust the seasoning of the structure without compromising its overall flavour. It offers reassurance that the framework remains aligned with family values, even as management responsibilities transition to the next generation.

The result is a governance-first structure with the resilience to stand the test of time. Just as a well-written recipe accommodates evolving tastes while preserving its essence, a well-structured foundation preserves founder intent while remaining adaptable to changing family dynamics and cross-border complexities.

Incorporating broader governance frameworks in the DIFC

The DIFC Family Arrangements Regulations 2023 allow family-controlled entities, including foundations, to formally register their internal governance mechanisms with the DIFC Private Family Business Register. These may include family voting protocols, succession arrangements and dispute resolution pathways, offering families a mechanism to elevate informal understandings into legally recognised governance instruments.⁸

A core appeal of UAE foundations lies in their ability to preserve founder control without compromising structural integrity.

Once recorded, these arrangements hold legal and evidentiary value, supporting continuity in cases of fragmented ownership or control. Although not limited to foundations, the framework complements foundation charters and by-laws and provides families with a recognised governance record without increasing regulatory complexity.⁹

This optional regime reflects the DIFC's alignment with international best practices and growing demand for formal, flexible governance tools.¹⁰ For families institutionalising their succession strategy, it offers a valuable layer of structure and support.¹¹

Tax treatment of UAE foundations

Since the introduction of Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses (the Corporate Tax Law), the UAE has applied a federal corporate tax regime with a standard rate of 9%.¹² All legal persons, including foundations, are in scope and considered taxable unless they qualify for exemption or are treated as fiscally transparent.

Where a foundation operates purely as a passive holding structure and does not conduct business activities, it may apply for tax transparency under Article 17 of the Corporate Tax Law.¹³ If approved, the foundation itself is not subject to tax, and tax obligations instead arise at the level of the beneficiaries when distributions are made. This tax treatment is often the preferred route, particularly for family wealth platforms that hold passive investments or real estate. The transparency treatment may also apply to underlying passive subsidiaries, such as SPVs, if they form part of a compliant multi-tiered structure.¹⁴

Alternatively, foundations may explore relief through the qualifying free zone regime under Article 18, provided they meet the required substance thresholds, apply arm's length pricing and fulfil all compliance and audit conditions.¹⁵ However, this option is less commonly pursued for private wealth foundations given the additional complexity.

When thoughtfully structured, UAE foundations offer families a practical method to support tax efficiency while preserving governance integrity. The UAE government's strategic support for family wealth structuring is evident in its approach to corporate tax, with transparency provisions designed to support multi-layered private wealth structures. By segmenting asset classes or investment strategies

through compliant subsidiaries, families can achieve asset protection and tax optimisation aligned with their long-term objectives.

Maintaining strategic control through UAE foundations

A core appeal of UAE foundations lies in their ability to preserve founder control without compromising structural integrity. Unlike common law trusts, where settlors must relinquish authority to avoid claims of invalidity, foundations in the ADGM, DIFC and RAK ICC can be structured to allow the founder to remain closely involved in decision making. The result is a control friendly governance model that accommodates long-term oversight while safeguarding the legal integrity of the structure.

In each jurisdiction, the founder may reserve specific powers through the foundation's charter or by-laws. In the ADGM, Article 17 of the ADGM Foundations Regulations 2017 permits the founder to retain powers such as amending the charter, directing investments, appointing or removing councillors or guardians and dissolving the foundation.¹⁶ The DIFC adopts a similar stance. Article 26 of the DIFC Foundations Law No 3 of 2018 allows founders to reserve core rights, including the ability to amend the charter or terminate the foundation, provided these are explicitly set out in the constitutional documents and limited in duration.¹⁷ RAK ICC's approach, under Article 13(3)(m) and Article 16 of the RAK ICC Foundations Regulations 2019, Amendments 2025, also permits founders to retain key powers for a defined period, typically until their death or for 50 years in the case of a corporate founder.¹⁸

This model offers flexibility with oversight. The founder may choose to sit on the council, direct investment policy or retain veto rights, all while complying with governance checks. The foundation holds legal title to the assets, and the founder's vision is executed through a clearly defined governance framework. In practice, this offers a reassuring middle ground. The founder is not required to cede control to a third-party fiduciary, nor is he or she constrained by the rigidity of traditional trust structures. Instead, he or she retains strategic direction within a legally robust and regulatorily recognised structure.

It is the equivalent of remaining the head chef in a well-run kitchen, directing the overall vision while

entrusting key roles to a professional team. This ensures continuity, confidence and cohesion throughout the wealth management process.

The DIFC introduced important updates to its Foundations Law in 2024 to enhance founder protection and the RAK ICC followed suit more recently with amendments to its RAK ICC Foundations Regulations 2019, published in August 2025. Creditors seeking to challenge a contribution to a DIFC or RAK ICC foundation must now prove both insolvency and fraudulent intent.¹⁹ Claims are capped at the amount contributed and subject to a three-year limitation period.²⁰ In addition, foreign judgments are not automatically enforceable.²¹ These protections reinforce the strategic advantage of maintaining control through a foundation structure while securing the founder's intentions from external interference.

Privacy advantages of UAE foundations

UAE foundations, whether established in the ADGM, DIFC or RAK ICC, provide meaningful privacy protection, shielding the identities of founders, councillors, guardians and beneficiaries from public disclosure, while maintaining transparency with regulatory authorities.

In the ADGM, only the foundation's name and registration status are publicly accessible. Personal data is submitted confidentially to the registrar and disclosed only where required by law. By-laws are not filed and remain private.²² The DIFC applies the same approach. Under Article 35 of the DIFC Foundations Law No 3 of 2018, registration information is not available to the public.²³ Although the charter is filed, the by-laws and beneficiary details are kept

confidential. In RAK ICC, disclosure is similarly restricted. While founders and councillors are recorded, public search access is not available and disclosure is limited to regulatory obligations.²⁴

Compared with other established foundation jurisdictions such as Jersey, the Isle of Man and Liechtenstein, the UAE provides a notably higher standard of privacy. In Jersey, the identity of council members must be disclosed in the register made available for public inspection pursuant to Article 40 of the Jersey Foundations Law 2009.²⁵ Similarly, in the Isle of Man, Section 48 of the Foundations Act 2011 requires names and residential addresses of the members of a foundation council to be included in a register available for public inspection.²⁶ Liechtenstein, while offering greater confidentiality than many European peers, still requires the names of foundation council members to be filed with the Office of Justice. Although these details are not made public for privately registered foundations, certain information may be disclosed upon request, depending on the foundation's classification, purpose and level of supervision.²⁷

UAE foundation regimes do not disclose any personal information in the public domain. Beneficial ownership information related to foundations is held securely by the relevant registrar and released only under statutory provisions. The DIFC enables family entities to record internal governance arrangements on the private Family Business Register.²⁸

The overall design mirrors a carefully curated guest list, where transparency exists for those who need to know, but discretion is maintained for all others. This approach meets the growing demand for confidentiality in private wealth and succession planning.

This extract from the article 'Governance, succession and control: UAE foundations as strategic tools for global families', by Hermione Harrison and Yann Mrazek, is taken from the 37th issue of *The International Family Offices Journal*, published by Globe Law and Business.

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