

# UAE Family Foundations Corporate Tax Guide

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To (inside your company): Family Office • Private Wealth • Legal & Compliance • Tax Advisors

## Executive takeaways

- Establishes a comprehensive framework for Family Foundations to achieve fiscal transparency under the Corporate Tax Law.
- Allows foundations, trusts, and similar entities to apply for Unincorporated Partnership treatment if they meet specific conditions.
- Enables multi-tier structures to achieve fiscally transparent treatment throughout the ownership chain.
- Natural person beneficiaries are generally not subject to Corporate Tax on their Personal Investment or Real Estate Investment income.

## What changed & why it matters

- Fiscal Transparency Framework** — Family Foundations can apply to be treated as Unincorporated Partnerships, allowing income to flow through to beneficiaries. *Why it matters:* This prevents double taxation on family wealth management structures while maintaining appropriate oversight and compliance.
- Multi-Tier Structure Support** — Entities wholly owned by Family Foundations can also achieve fiscal transparency if they meet certain conditions. *Why it matters:* This enables complex family wealth structures to maintain tax efficiency through multiple ownership layers.
- International Structure Recognition** — Foreign foundations and trusts can qualify for UAE Family Foundation treatment if they meet the conditions. *Why it matters:* This accommodates international family structures while ensuring appropriate UAE tax compliance for local activities.

## Action checklist

- Assess the current family foundation structure against the five qualification conditions for fiscal transparency.
- Evaluate the beneficiary composition and potential Corporate Tax implications for each type of beneficiary.
- Register the family foundation and any subsidiary entities for Corporate Tax before applying for fiscal transparency.
- Prepare and submit the application to the FTA for Unincorporated Partnership treatment with all supporting documentation.
- Implement annual confirmation processes to maintain continued compliance with the Family Foundation conditions.

## Impact matrix

Compliance	H
Systems/ERP	M
Finance/Cash	H
Operations	L
Documentation	H
Training/Change	M

## Timeline

- Assessment phase — evaluate structure & conditions
- Registration — register entities for Corporate Tax
- Application — submit fiscal transparency applications
- Ongoing compliance — annual confirmations

## Take Away

The Family Foundation framework provides significant opportunities for family wealth management structures to achieve fiscal transparency, effectively preventing double taxation while maintaining oversight. The comprehensive condition framework ensures benefits are limited to legitimate family wealth purposes, and the multi-tier structure support enables complex ownership arrangements. Families should carefully assess their structures against the five conditions and implement proper compliance mechanisms.

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