



[Guide To DIFC Asset Manger License - 10 Leaves](#)

DIFC is one of the world's top ten onshore financial centers and offers a secure and efficient platform for businesses and financial institutions to reach into and out of the emerging markets of the region. The quality and independence of DIFC's regulator, the prevailing common law framework, excellent infrastructure, and tax

efficiencies make it the perfect base to take advantage of the rapidly growing demand for financial and business services in the MENASA region.

DIFC fills the time-zone gap for a global financial center between the leading financial centers of London and New York in the West and Hong Kong and Tokyo in the East.

Why set up a [financial service firm in the DIFC?](#)

The DIFC is a leading financial hub in the region. Besides offering a wide range of financial service activities, the center also provides an integrated environment and world-class standard of living. It is well regarded in the international community as well.

There exist opportunities for startups as well. The recent focus on fintech led to the DIFC Fintech Hive initiative, that serves as an accelerator for fintech firms to test their products and pitch it to prospective investors. Sarwa (<https://www.sarwa.co>) is one such success story.

Specific Advantages:

Here are some specific advantages of establishing in the Dubai International Financial Centre:

LEGAL AND REGULATORY FRAMEWORK:

1. Legal framework supports cross-border activities
2. 100% foreign ownership permitted
3. No restriction on foreign talent or employees
4. No restrictions on capital repatriation

TAX BENEFITS:

1. Zero tax for 50 years on profits, capital or assets from 2004
2. Zero tax on employee income

COUNTERPARTY CONFIDENCE:

1. Highly regarded, independent regulator
2. Independent, English-speaking, common law judicial system
3. Distinct from the UAE legal system
4. Risk-based regulatory approach

DIVERSE ECOSYSTEM:

Central to regional deal making High concentration of international firms, investment funds, wealth management firms, banks, and financial institutions World-class regional and

international law and auditing firms, and other professional services. The largest fund domicile in the region

GEOGRAPHIC EPICENTRE:

Management offices, holding companies and family offices are located closer to the assets they own or manage. The Middle East, Africa and South Asia (MEASA) is increasingly the centre of gravity for the global economy

Dubai plays a central role in the growing South-South trade, principally between Asia and Africa. Well-positioned to harness the potential of emerging markets.

DIFC Asset Manager License:

Firms engaging in the activity of 'Asset Management', can apply to the DFSA for a Cat 3C License. Asset management, in this context, means managing client portfolios on a discretionary basis, under a client mandate.

Firms interested in managing client assets from the DIFC are required to submit applications to the Dubai Financial Services Authority, or DFSA.

The DFSA has a fast-track process for Fund Manager licenses, which also come under Category 3C. The Fund Manager, if approved, can manage domestic (Public, Exempt and Qualified Investor Funds) and Foreign Funds in other jurisdictions as well. In case the firm wishes to also engage in discretionary portfolio management services, it has to go through a full-fledged license process.

DIFC Capital requirements:

The base capital requirement for a Category 3C Asset Manager is US\$ 500,000. Actual capital required will depend on the nature, quantum of business and forecasted annual expenditure, as per the financial model of the proposed firm.

Costs:

Setting up a DIFC Regulated Firm involves the following interactions:

Dubai Financial Services Authority (DFSA):

The DFSA is responsible for reviewing and approving all applications for financial services.

Costs depend on the activities applied for, which puts the applicant in one of five categories.

Generally, there are two components of DFSA fees. One – an application processing fee, and the other, an annual licensing fee.

Application fee: US\$ 25,000 for an Asset Manager license application.

License fee: from US\$ 25,000 for an Asset Manager license application.

Registrar of Companies (DIFC ROC):

The ROC helps to set up the legal structure of the DIFC Regulated Firm. Shareholders can be individual, or corporate. There are many options available, such as 'Private Company Limited by Shares' and 'Limited Liability Partnerships'. In case of Private Company Limited by Shares, the costs for setting up include:

Application for reserving a name (2 working days): US\$ 800

Application for Incorporation of a Private Company Limited by Shares (5 working days): US\$ 8,000

Commercial License on Incorporation (5 working days): US\$ 12,000 (annual fee)

Data Protection:

The data protection notification is part of the process of registering a new entity in the DIFC.

The costs involved are as follows:

Registration - US\$ 500

Annual renewal – US\$ 250

Office spaces:

Every entity registered in the DIFC is required to lease a physical office. You can choose from the Gate and surrounding buildings, or other buildings within the DIFC, such as Emirates Financial Towers, Central Park, Park Avenue, Burj Daman and Currency House.

Prices vary, depending on the space availed and the building. Here is an indication of the prevailing rates:

DIFC Business Centre – from a two-desk office at US\$ 35,000.

DIFC Fitted Offices – from US\$ 55 per square foot.

Other buildings – from US\$ 32,000 per annum

Visas:

Establishment Card Application – US\$ 630

PSA Deposit – US\$ 682

Visas (per visa) – from US\$ 1,500

PSA Deposit (per visa) – US\$ 682