DIFC opens its Prescribed Company regime

On 24 July 2026, the DIFC brought into force the amended Prescribed Company Regulations (Consolidated Version No. 5).

Before, when investors wanted to build a complex corporate structure, they almost always resorted to the ADGM SPV regime. An SPV is a regime under which a company registered as a company limited by shares under the ADGM Company Regulation is permitted to own only other companies, IP assets, and real estate. The requirements for shareholders were quite loose: an ADGM or GCC nexus, which could be established by GCC residency or a GCC location of the target asset. Being registered in a common law jurisdiction with its own courts, an ADGM SPV was a handy tool for structuring investments, holdings, startups, and family offices.

A Prescribed Company in DIFC remained a not-so-available type of company. Mostly, because of much stricter requirements. Until now, an applicant had to clear one of two gateways: control by a GCC Person, a Registered Person or an Authorised Firm, or establishment for a defined Qualifying Purpose (an Aviation Structure, Maritime Structure, Intellectual Property Structure, Crowdfunding Structure or Structured Financing). The Amended Regulations remove the qualifying requirements section altogether. Any natural or corporate person, resident anywhere in the world, may now establish a DIFC PC.

The PC is, like an ADGM SPV, a passive vehicle: limited to holding company activity, unable to employ staff and to sponsor visas. It is a structuring tool, not an operating platform, and the amendments do not change that.

Now, every PC must appoint a licensed CSP unless it qualifies as an Exempt PC, and the CSP carries statutory duties as the vehicle's administrative and compliance interface with the Registrar of Companies: lodging documents and fees, making filings, and maintaining records. A reinforced schedule of administrative fines sits behind it, with reported penalties of up to USD 20,000 for failure to appoint a CSP and up to USD 100,000 for certain other contraventions, including failure to cooperate with an appointed CSP.

Non-exempt PCs incorporated before 24 July 2026 have six months, to 24 January 2027, to appoint a CSP absent an extension from the Registrar. Failure risks loss of PC status and conversion into an ordinary DIFC company, bringing physical office requirements, higher annual licence fees and a materially heavier compliance load.

The Regulation still sets out two carve-outs: exemption from the fifty-shareholder cap, and exemptions from the public offer prohibition and the same cap for Structured Financings issuing securities to facilitate a bond or sukuk.