UAE

KEY FACTS
VARIABLE CAPITAL COMPANIES

IN FEBRUARY 2026, THE DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC) INTRODUCED A DEDICATED VARIABLE CAPITAL COMPANY (VCC) REGIME, PROVIDING A MODERN, CELL-BASED CORPORATE STRUCTURE FOR HOLDING AND MANAGING INVESTMENT ASSETS IN ONE OF THE LEADING FINANCIAL CENTRES IN THE MIDDLE EAST. VCCS ARE ESTABLISHED UNDER THE DIFC COMPANIES LAW FRAMEWORK AND ARE GOVERNED BY THE VARIABLE CAPITAL COMPANY REGULATIONS 2026.

A DIFC VCC is a private company with variable share capital that can be organised with either segregated cells or incorporated cells. Each cell ring-fences assets and liabilities, providing a robust platform for sophisticated holding structures, proprietary investment vehicles and family office arrangements, while benefiting from DIFC corporate, insolvency and operating law.

HIGHLIGHTS

- VCCs are standalone private companies established under the DIFC Companies Law and the Variable Capital Company Regulations (VCC Regulations) and are treated as a distinct type of company within the DIFC framework.
- A VCC may be incorporated in the DIFC, converted from an existing DIFC company, or continued into the DIFC from a foreign jurisdiction, subject to the requirements of the Companies Law and the VCC Regulations.
- A VCC may be structured with:
  - **Segregated Cells** – legally distinct cells within a single legal entity, created to hold and manage assets and incur liabilities that are separate from the VCC and from other cells, but without separate legal personality
  - **Incorporated Cells** – separate private companies formed under the umbrella of a VCC, each with its own legal personality, assets and liabilities
- A VCC may have any number of cells, or no cells at all, as provided for in its articles of association. A VCC cannot have both segregated cells and incorporated cells at the same time.
- The share capital of a VCC, and of each cell, must at all times be equal to its net asset value (NAV), with the valuation of assets carried out on a fair value basis or under a defined valuation methodology set out in the articles.
- All shares issued by a VCC, or by a cell, are redeemable in accordance with their terms of issue, the articles of association and the VCC Regulations. Shares are issued, redeemed and purchased at prices calculated by reference to the relevant NAV.
  - this means that redemptions can take place with reference to NAV rather than being limited to par value, whilst distributions can be based on NAV rather than being limited to distributable profits only
- The regime provides strong statutory segregation of assets and liabilities:
  - cellular assets attributable to one cell are not available to meet the liabilities of another cell or of the non-cellular part of the VCC
  - non-cellular assets are not available to meet liabilities attributable solely to a particular cell
- A VCC, or a cell, may be used to hold assets for:
  - corporates
  - crowdfunding structures
  - families
  - funds (subject to applicable DFSA permissions for any regulated financial services)

> A VCC itself is restricted to the activity of a holding company. It cannot provide financial services in or from the DIFC, or establish a fund, unless expressly permitted to do so by the DFSA. Despite only being able to hold or invest proprietary capital, VCC's can be managed by a regulated external asset or fund manager.

> VCCs are subject to applicable DIFC and UAE anti-money laundering, counter-terrorist financing, sanctions and ultimate beneficial ownership requirements but are not regulated by the DFSA.

TAX AND REGULATORY ENVIRONMENT

> The VCC regime sits within the broader DIFC legal environment, which includes the Companies Law, Operating Law, Insolvency Law, DFSA Rules and applicable UAE federal requirements.

> While the VCC Regulations focus on corporate and regulatory matters rather than tax, DIFC entities, including VCCs, may benefit from the UAE tax framework, including the absence of DIFC-imposed income or capital gains tax, subject to evolving UAE tax legislation and any applicable exemptions or thresholds at federal level.

> Any use of a VCC or its cells in connection with regulated financial services or funds will be subject to DFSA oversight, including licensing and fund regime requirements, and to any applicable restrictions on public offers of securities.

We recommend that clients obtain tailored UAE and international tax advice when structuring VCCs.

INCORPORATION AND STRUCTURING REQUIREMENTS

Name

> The name of a VCC must end with "VCC Limited" or "VCC Ltd."

> Each segregated cell must have its own distinct name ending with "VCC Segregated Cell" or "VCC SC".

> Each incorporated cell must have its own distinct name ending with "VCC Incorporated Cell" or "VCC IC".

Articles of Association

> The articles must state whether the VCC may create segregated cells or incorporated cells.

> They must specify that the paid-up share capital is at all times equal to the NAV of the VCC or relevant cell, and set out the valuation methodology and the extent to which shareholders are entitled to have shares issued, redeemed or purchased.

Corporate Service Provider

> Unless it qualifies as an Exempt VCC, a VCC must appoint a Corporate Service Provider registered with the DFSA as a Designated Non-Financial Business or Profession and licensed to undertake corporate services business in the DIFC.

> The Corporate Service Provider is responsible for lodging and filing documents, fees and confirmation statements with the Registrar, and for maintaining records required under the VCC Regulations and Applicable Law.

Exempt VCCs

> A VCC is treated as an Exempt VCC where its controller is, for example, a registered person, an authorised firm, a government entity or a publicly listed entity, as defined in the VCC Regulations.

Registered Office

> The registered office of a VCC must be either that of an affiliate (for an Exempt VCC) or that of its Corporate Service Provider.

> Each incorporated cell shares the same registered office as its VCC.

Employees

> **A VCC is not permitted to employ employees or other workers**. Operational support is provided through its Corporate Service Provider, advisers and, where relevant, investment managers or other service providers.

STATUTORY AND GOVERNANCE REQUIREMENTS

Status and Legal Framework

> A VCC is a private company for the purposes of the DIFC Companies Law, except where the VCC Regulations expressly disapply or modify specific provisions. The Relevant Laws (Companies Law, Insolvency Law, Operating Law and associated regulations) apply to VCCs and to incorporated cells, unless otherwise specified.

Directors and Officers

> Officers of a VCC have specific duties to ensure that cellular assets are kept separate and separately identifiable from non-cellular assets and from the assets of other cells.

> Officers may incur personal liability where they knowingly, recklessly or negligently fail to ensure proper segregation, or where they fail to identify the relevant cell in transactions, subject to potential relief by the DIFC Court in limited circumstances.

Registers and Records

> The VCC must maintain registers of shareholders and debenture holders in line with the Companies Law, adapted so that references to shares and shareholders include cell shares and cell shareholders.

> Records and accounts must clearly segregate assets and liabilities attributable to each cell and to non-cellular assets, and reflect NAV proportionately across each shareholder account.

> A VCC or incorporated cell may appoint a Register Keeper (which may be a Corporate Service Provider, an authorised firm or a suitably regulated person) to maintain registers on its behalf, without relieving the entity of its core responsibilities.

Accounting, Reporting and Filings

> A VCC must maintain accounting records and prepare accounts in accordance with the Companies Law. For VCCs with incorporated cells, separate accounts are prepared for each incorporated cell.

> The annual confirmation statement must confirm compliance with the Relevant Laws, indicate whether the entity is an Exempt VCC and provide details of active and non-active cells and their status.

Use of Assets and Creditor Protections

> The VCC Regulations embed creditor protections that prevent assets attributable to one cell being used to satisfy liabilities of another cell or of the non-cellular part of the VCC, and vice versa.

> Where assets are wrongly taken, seized or applied, creditors may be required to restore value to the appropriate cell, and the VCC must reallocate value so that the affected cell is compensated, including by using non-cellular assets where necessary and available.

Conversion, Continuation and Restructuring of Sells

> The regime provides detailed pathways for:

> > converting between segregated-cell and incorporated-cell VCC structures

> > converting a standard DIFC company into a VCC, or a VCC into a non-VCC company

> > continuing foreign companies into the DIFC as VCCs, or continuing VCCs out of the DIFC

> > transferring cellular assets between cells, and merging or consolidating cells, subject to notice, creditor protections and Registrar approval

How Trident Can Help

We work with asset managers, family offices and international businesses to establish and administer sophisticated DIFC structures. Our team can assist with:

> Designing and implementing VCC structures using segregated cells or incorporated cells to support fund, co-investment, family office or asset holding strategies.

> Coordinating incorporation or continuation of VCCs in the DIFC, drafting or reviewing constitutional documents and supporting applications to the Registrar.

> Providing corporate administration, accounting, regulatory and AML support, and working seamlessly with appointed investment managers and advisers.

Our global reach, dedicated specialist teams and longstanding presence in key financial centres mean we are well placed to support clients who wish to use the DIFC VCC regime as part of their cross-border structuring.