

Regulatory differences between jurisdictions

The UAE has a federal regulator for philanthropic organizations. The emirates of Abu Dhabi and Dubai, which are the most significant in terms of commercial and philanthropic activity, each have separate regulators and bodies of laws and regulations governing philanthropic organizations. While the UAE Ministry of Social Affairs regulates philanthropic organizations at the federal level, such organizations are in most cases also subject to emirate-level regulation. The emirate of Dubai has the most robust regulations, which govern organizations operating in Dubai and its free trade zones. The free trade zones have separate bodies of regulations and among the most important of these trade zones are the International Humanitarian City (IHC) and the Dubai International Financial Center (DIFC), both of which are located in Dubai. The IHC is an independent free trade zone established in 2007 and has become the world’s largest and most active logistics hub for humanitarian aid operations. The DIFC is an independent financial free zone primarily focused on the financial services industry. Dubai and its free trade zones host the majority of the UAE’s charitable organizations.

To learn more about philanthropy law in the United Arab Emirates and elsewhere, please see our philanthropy law page: <http://bit.ly/PhilanthropyLawReports>

	Onshore UAE (excluding Dubai)	Onshore UAE (Dubai)	Dubai International Financial Centre	International Humanitarian City
Main Regulatory Bodies	<ul style="list-style-type: none"> Ministry of Social Affairs 	<ul style="list-style-type: none"> Ministry of Social Affairs Islamic Affairs and Charitable Activities Department (“IACAD”) Community Development Authority (CDA) 	<ul style="list-style-type: none"> DIFC Authority IACAD (with respect to donations and fundraising) 	<ul style="list-style-type: none"> IHC Authority IACAD (with respect to donations and fundraising)
Philanthropic Organizations Forms	<ul style="list-style-type: none"> Public welfare associations (“PWA”) 	<ul style="list-style-type: none"> PWA Charitable societies (private and public) Non-governmental organization 	<ul style="list-style-type: none"> Nonprofit incorporated organizations 	<ul style="list-style-type: none"> Nonprofit organizations
Permitted Activities	In line with the PWA/society/ organizations constitutional documents	In line with the PWA/society/ organizations constitutional documents	In line with the organization’s constitutional documents and the authorizations of the relevant regulatory body	Activities must include disaster relief aid in response to humanitarian, natural or environmental disasters
Number of licensed philanthropic organizations	Unable to determine	16	17	56

UNITED ARAB EMIRATES PHILANTHROPY LAW: REGULATORY DIFFERENCES BETWEEN JURISDICTIONS

	Onshore UAE (excluding Dubai)	Onshore UAE (Dubai)	Dubai International Financial Centre	International Humanitarian City
Local and Cross-Border Funding	Regulatory approval required	Regulatory approval from the IACAD and CDA required. In some circumstances, exceptions apply for the royal family, government departments (subject to pre-coordination with IACAD), and other entities determined by the Director-General of the IACAD to meet the requirements of the public interest.	Regulatory approval from the IACAD required	Regulatory approval from the IHC Authority and the IACAD required
Financial reporting requirements to the relevant authority	Yes - the board must submit a copy of the balance sheet from the previous year and the proposed budget for the coming year.	Yes <ul style="list-style-type: none"> • Charitable societies (private and public): must submit final accounts on an annual basis, stating financial resources and methods of spending them, including a statement showing the amounts of donations collected and expenses incurred. • NGOs: must provide statements of bank accounts and amongst other items requested by the authority, the annual budget and final account within a period not exceeding four months from the end of the financial year after being approved by an auditor accredited by the CDA. 	Yes – must file annual audited accounts within 7 days after the accounts have been approved by the founding members and reported upon by an auditor.	Yes – must deliver a copy of the certified auditor’s reports specific to its operations within three months of the end of the calendar year.
Possible fines imposed for violations	Up to AED 10,000.	AED 500 – AED 200,000.	AED 3,673 – AED 91,825.	AED 200 – AED 500.