

# Trident Trust's Leader in the UAE Surveys the New Developments Driving the Region's Wealth Management Proposition

Hubbis met again recently with Dave Lange, General Manager & Senior Executive Officer of Trident Trust in the Middle East. The last time we met, in late 2022, he explained that in the UAE, Trident had historically been known principally for its corporate services offering and explained how he and the team have been building out their succession planning and global fiduciary service offering for the GCC's estimated USD3 trillion private wealth market, dominated by HNW and UHNW clients from the region and abroad. This time Lange took the opportunity to paint a more detailed picture of the region's liberalisation, of its opening to the world of HNW and UHNW wealth, and of the great prospects for the private wealth community in the Middle East.

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**DAVE LANGE**  
Trident Trust

**Independently owned Trident Trust** has three pillars to its business, the first of which is trustee services, which involves servicing wealthy families looking for the benefits a trust can deliver such as asset protection, estate planning, inheritance deferment and preservation of family assets.

The second pillar is Trident's fund administration business, which provides the infrastructure, administration, and accounting for asset managers in the hedge fund, private equity, debt, and real estate sectors.

And the third pillar is the corporate services offering, which Trident provides from a very wide range of jurisdictions, both offshore and onshore. This includes incorporation and registered office services, secretarial services, and management representation.

### **A strong presence in the region**

Trident Trust today currently serves over 26 jurisdictions globally, with Asia and the Middle East being key growth areas for the business. Trident first opened its

doors in Dubai in 2006. In 2018 Trident established its DIFC office and today they service their wide range of clients from either of their two offices in the Dubai Multi Commodities Centre (DMCC) and DIFC, respectively.

### **The UAE's wealth landscape evolves**

Lange opens the conversation by focusing on some of the noteworthy legislative changes, the most important of which is the draft of the new Federal Decree Law on Family Businesses in the UAE. He says the new law will introduce a couple of really welcome adjustments, including different share classes in order to differentiate economic shareholders from those who are

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actively involved in the day-to-day running of the business. In order to benefit from the law, Family Businesses will have to register, and their names will be placed on a Family Business Register.

The other major development related to the new law is the recognition of the free zone courts, which allow a family business established in free zones to benefit from the overarching law whilst still being subject to their free zone regulations and legislation.

### **Families are welcome**

Lange explains that alongside such developments, the DIFC

launched the DIFC Family Wealth Centre on March 1 this year, led by Dr. Tarek Hajjiri.

Lange comments that the objective appears to be to create a family wealth hub in the DIFC where clients will benefit from access to accredited professional intermediaries as well as to reputable and DIFC-accredited service providers and intermediaries across a wide range of services. “And that will allow the family businesses access to the level of professional advice,” he adds.

### **A more fertile ground**

He also highlights another significant change in the form of the new Family Arrangements Regulations

in the DIFC, which were introduced in January this year. These have replaced the previous DIFC Single Family Office regime and are designed to work alongside and complement the provisions of the UAE Family Business Law.

The idea is to support family businesses, UHNW's and Family Offices under a common legal framework in the DIFC. SFO's now fall under the new family arrangements regulations, which means they are no longer required to register as DNFBP (designated non financial business partner) with the Dubai Financial Services Authority (DFSA).



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**Tax in the UAE? Really?!**

The advent of corporate income tax, effective June 1 this year, is another major change in the overall environment, as the UAE succumbed to pressure from global bodies such as the OECD. Lange explains that this will have several implications, and lead, for example, to the segregation of personal assets from corporate assets in most local businesses.

“In this region, business and personal assets were essentially considered to be one in the same, with owners and family members simply taking whatever dividends they required at the end of the year from tax-free profits,” Lange explains, “but this will change due to the new tax regime, with salaries being a more logical means of extracting distributions from the business as these will now be drawn from pre-tax profits as opposed to dividends which will be post tax”.

Moreover, due to the stipulations of the corporate tax regime, Lange says there will also be a clear separation of international operations versus local operations. “People will need to make sure their international operations are in separate legal entities or silos to ensure that tax is not unnecessarily levied on international profits purely as a result of the local operations. The simplest solution for these

clients is to shift their international operations into a qualifying freezone, thereby benefiting from the tax exemptions that exist for such free zone business.”

**Reverse engineering**

Lange then shifts his focus to some interesting trends in the market at the moment, such as the change in direction of referral work. “It is very evident in the past 18 to 24 months that there are more clients looking to move to the UAE and structure domestically than there are clients in UAE looking to structure offshore” he reports.

“This aligns of course with the inward migration flows being created by the Golden Visa regime, and the rapidly evolving legal and regulatory environment, all making this region far more attractive on a global scale. Not to mention the outdoor lifestyle and constant investment into infrastructure which is continuously improving.”

As a result, he reports that the Middle East management and teams that have for so long been based out of London or other European centres, are increasingly moving their teams and operations to the UAE.

**Opening the doors ever wider**

He adds that the introduction of foreign ownership of UAE mainland companies has been another game

changer that is attracting more and more expats to Dubai. “The UAE is very clearly trying to open up the region to greater foreign investment alongside the arrival of more global HNWIs and UHNW,” he reports. “Even the regional IPO market is gaining significant momentum, allowing for greater liquidity in the domestic and regional corporate space.”

Lange addresses the elephant in the room question about the potential impact of Saudi Arabia on Dubai’s future growth plans, as the Kingdom continues to liberalise their economy. “As I see things, the domestic economy in Saudi is moving ahead at such a rapid pace that they will definitely begin attracting more global capital, for example into their 45 mega-projects which are currently underway, and to their expanding capital markets, which have seen more than 50 IPO’s in the last year,”

Lange reports. “I think this will all help create more momentum for the Middle East as a region.”

### A rising tide floats all boats

He indicates that although Saudi Arabia will evolve further in many directions, for example in foreign ownership of property and with new free trade zones such as the financial centre in Riyadh, the UAE has a major head start, and Lange feels there is no immediate threat to their activity levels or prospects. “However,” he remarks, “it will be worth watching closely over the coming years, as Saudi starts competing with the UAE for human capital, which is in a shortage in the region, and the rest of the world for that matter.”

### Riding the wave

Lange closes the conversation by reiterating the momentum that

the UAE is enjoying and the many tailwinds. He says the region has changed and is no longer simply a port of call for shopping and leisure. It has its own true identity, its own deepening and diversifying capabilities and infrastructure, a vibrant property market appealing to global buyers, and a rapidly expanding wealth management and structuring ecosystem that will most certainly continue expanding.

“The wave is building and is far from its peak,” he states. “Imagine if the anticipated wall of Chinese money arrives as expected, and what that will likely do to real estate prices. The Middle East has been somewhat of a sleeping giant over the last decade or two compared with other major emerging markets but is now emerging and starting to shine across the world, and the long-term future looks increasingly rosy.” ■

