RAK ICC Strengthens Foundations Regime with 2025 Legislative Enhancements

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Ras Al Khaimah International Corporate Centre (**RAK ICC**) has announced significant amendments to its Foundations Regulations 2019, which took effect on 31 July 2025. The changes represent one of the most substantial updates to the regime since its introduction, reinforcing the UAEs position as a competitive jurisdiction for wealth structuring and long-term asset protection.

RAK ICC Foundations are widely recognized for their flexibility, confidentiality, and legal robustness, making them a preferred choice for high-net-worth individuals, entrepreneurs, and family offices, both within the UAE and internationally. These structures are commonly used for succession planning, family governance, and consolidating diverse assets under a single legal entity.

The 2025 amendments introduce stronger legal safeguards and improved governance measures which include:

1. **Firewall Provisions** – Stronger protection from foreign judgments conflicting with RAK ICC Regulations.
2. **Three-Year Statute of Limitations** – Limits challenges to establishment or asset transfers to three years.
3. **Cause of Action Provisions** – Creditor fraud claims are limited to the specific asset involved and only if rendering the founder insolvent.
4. **Duress and Officer Protections** – Nullifies actions taken under foreign legal coercion, preserving internal governance autonomy of a foundation.

5. **Strengthened Arbitration Framework** – Disputes can be resolved privately with court-level powers.
6. **Private Trustee Foundation Provisions** – Clarifies asset segregation and fiduciary integrity for property held in trust by a foundation.

Assets held within RAK ICC Foundation will now benefit from enhanced firewall provisions, ensuring that foreign judgments conflicting with UAE law cannot be enforced against them. A new three-year limitation period has been established for challenging the formation of a foundation or the transfer of assets into it, providing greater certainty for founders and beneficiaries. The reforms also tighten creditor protection rules by requiring proof of insolvency in fraudulent transfer claims, with liability capped at the value of the disputed asset to prevent overreach into unrelated holdings.

In addition, the updated regulations address governance integrity and operational resilience. Officers of a foundation who receive foreign orders inconsistent with RAK ICC law are obligated to disregard them, thereby safeguarding the autonomy of the foundations decision-making. The framework now explicitly confirms that assets held in trust by a foundation are legally distinct and separate from foundation property, ensuring clear asset segregation. Dispute resolution has also been strengthened, with arbitration provisions expanded to grant tribunals court-like powers, enabling disputes to be resolved efficiently, confidentially, and in line with international best practices.

These changes are part of RAK ICCs broader strategy to maintain a forward-looking legal and regulatory environment that meets global standards while catering to the specific needs of its client base. They reflect the jurisdictions commitment to supporting sophisticated wealth planning strategies that balance control, privacy, and long-term security.

By enhancing its Foundations regime, RAK ICC is cementing its position in the UAE as a trusted partner for those seeking secure, adaptable, and internationally compliant solutions for wealth preservation and intergenerational planning.

About RAK ICC

Ras Al Khaimah International Corporate Centre (RAK ICC) is a corporate registry based in Ras Al Khaimah, United Arab Emirates. The organisation provides international business companies and foundations, typically used for private and business structuring, asset consolidation, and succession planning. To date, RAK ICC has incorporated thousands of international companies and supports multi-billion dirhams in structured assets. It serves high-net-worth individuals, entrepreneurs, and businesses seeking flexible and secure solutions for long-term business and wealth management.