



Outcome Report

Legal Roundtable

Designing for Giving: How to Institutionalise your Giving

Event Date: 08 October 2019

Event Location: Emirates Towers Hotel, Dubai, UAE





Legal Roundtable Overview

A strong and historic philanthropic culture coexists alongside a complex legislative and regulatory framework guiding charitable activities across the Gulf Region. In recent years, new laws and regulations have been passed to revamp the philanthropic legal landscape across the Gulf Region as well as to support with the institutionalisation of philanthropic endeavours.

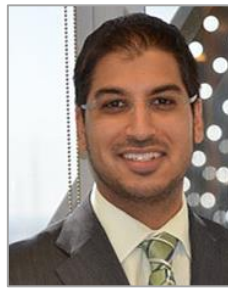
In the UAE, individuals and organisations are looking for solutions in terms of philanthropic legal structures while making financial, technical and strategic considerations. This roundtable convened subject matter expertise to discuss the challenges within institutional philanthropy in the region, and the mechanisms in place to overcome them, including the new Foundations Laws at DIFC.

Panellists:



[Khadija Ali](#)

*Chief Representative- Business
Development Segments
DIFC*



[Taufiq Rahim](#)

*Executive Director
Globesight*



[David Russell QC](#)

*Barrister at Law
Outer Temple Chambers*



[Yasmine Omari](#)

*Executive Director
Pearl Initiative*

Introduction and Welcome Remarks

To kick-start the roundtable, Yasmine Omari, Executive Director, Pearl Initiative, introduced the [Governance in Philanthropy](#) programme and its mission to support corporate and institutional donors striving to be more strategic and impactful in their giving. As part of the programme, the Pearl Initiative promotes improved governance standards in the Gulf Region's philanthropic ecosystem and aims to contribute to maximising the impact of giving through the development of resources and practical knowledge sharing.

To further advance the mission the mission of the programme, the Gulf Business Philanthropy Circle was launched earlier this year to share challenges, best practices and deliver recommendations to drive strategic philanthropy forward.

Yasmine highlighted that the Pearl Initiative had conducted [research](#) where significant data on the governance expectations of institutional donors pointed at the three main challenges in the sector being transparency, reporting and impact. To this end, she noted that the urgency to address the topic of how to institutionalise philanthropy has grown, as this would effectively enhance both transparency and maximise impact in the wider sector. At the end of her welcoming remarks, Yasmine introduced and welcomed the three speakers at the roundtable to begin the panel discussion.



Panel Discussion

Overview of the Philanthropic Landscape in the Gulf Region

Yasmine Omari prompted the interactive discussion by asking each speaker to address where and how they fit in the philanthropic landscape and what their view and approach is to institutional philanthropy.

- It was noted that although the UAE has laws on *awqaf* or endowments, there is little infrastructure for philanthropic organisations. The 2017 *Year of Giving's* national agenda thrusts many philanthropic organisations to revamp their strategies for missions.
- Although institutionalising philanthropy enables donors to be more strategic, it is also essential to question who is governing and overseeing the flow of funds.
- With rising questions regarding the impact of philanthropic activities, the panellists agreed that it is important to be transparent about activities and the motives behind philanthropic initiatives.
- Speaking on the legal structures for giving, Taufiq Rahim noted that the discussion was critical as one of the first challenges often noted in the industry comes from a legal perspective. He also stated that there has been tremendous development and innovation in this space over the past couple of years.
- Both regionally and globally, building the right legal infrastructure is critical; not only for enabling the process of philanthropy but also for incentivising it, and ensuring its sustainability. While it aids it in its operational value, it also largely shapes the structure of the financial flows that underpin the foundation – including its government regulations.
- It was recommended that if an organisation is looking to institutionalise their philanthropy, they should begin by considering the *who's*, *why's* and *what's* of their organisations before delving into the *where's*. Taufiq Rahim suggested thinking about how a jurisdiction can enable and drive an organisation towards its goal and then narrow the *where* aspect from there.

“Governance in philanthropy is like governance in any family business, it will mainly be driven by the founder.”

Taufiq Rahim

DIFC Foundation Establishment

Yasmine Omari then prompted the panel to share what the objectives were in setting up the Dubai International Financial Centre (‘DIFC’) as a jurisdiction for the registration of philanthropic entities.

- Khadija Ali explained the DIFC’s position as an established financial-hub and free zone. It can be thought of as a city within a city, as it has an independent financial and judicial system. DIFC does not exclusively host financial institutions, banks and capital market companies, but several other entities, including family offices, corporates and now recently foundations as well.
- It was stated that the DIFC had formed a [Wealth Management Working Group in 2016](#), which consisted of senior advisors, lawyers, barristers, executives of government and other stakeholders, including panellists David Russell QC and Khadija Ali. The Wealth Management Group had been a core element of the DIFC and

they are continuing to develop the platform and framework for philanthropic entities to manage their activities.

“The DIFC facilitates the adoption of proper governance structures for registered foundation by helping applicants assign council members and guardians, amongst other services.”

Khadija Ali

- The Wealth Management Working Group drafted 56 recommendations – one of which was to set up a Foundations Law to address a need in the community and wider region. There are now over 20 foundations that are registered at, and carry out their philanthropic activities from the DIFC.
- The DIFC established their [Single-Family Office Regime](#) in 2008, which enables family businesses to handle their activities, investments and oversee their charitable activities and funds. Additionally, Khadija Ali noted that all organisations registered under DIFC jurisdiction would use their own common law and therefore would not be bound by any offshore laws in regard to organisational activities.
- Several countries in the Gulf do not officially / legally recognise non-profit organisations, meaning that all foundations must be launched by a royal decree or linked to a for-profit company. Many Gulf foundations either rely directly on the government for funding, seek government help in providing a clearinghouse to raise public donations, or are supported by the wealth of a member of the ruling family (Devex, 2017). The DIFC as a jurisdiction supersedes several of these hurdles and streamlines the issue of having to have a royal decree to set up a foundation.

Yasmine Omari asked the panellists to share with the audience the background thought process behind the recommendation to go ahead with a DIFC foundations law.

- It was noted that DIFC’s foundations law was especially pertinent because of the region that it is in. The motivation for large conglomerates outside the Gulf Region to set up philanthropic arms or foundations is often to have a large block of stock of their company held stagnantly and the flexibility to not have it be subjected to taxation. However, the key distinction this has from the Gulf Region is that charitable activities are often not seen as an additional option or extra, but rather as a large part of the obligation as citizens.
- Stressing the role of foundations in sustaining charitable giving, David Russell QC referenced a hadith about the topic: *“When a man dies, his acts come to an end, but three, recurring charity, or knowledge (by which people) benefit, or a pious son, who prays for him.”* He expressed particular interest in the “recurring charity” aspect of the hadith, as he believed this shaped Islamic charity. It was agreed upon by the panel that the concept of charity in the Gulf Region is heavily seen as the establishment of an endowment that continues to benefit and give towards communities even after the person who initiates it is no longer.

“For giving to be sustainable, you need strong governance structures in place.”

David Russell QC

- The DIFC’s Wealth Management Working Group conducted research on the region, and a key finding of the study found that trusts failed to fulfil the needs of the community for a variety of reasons. One of such is that *awqafs* in the region are incorporated – they have their own legal entity that is recognised under UAE’s civil law, whereas trusts do not have the same benefit. Additionally, a trust requires an independent or third-party



individual to handle finances, which there tends to be hesitance about in the region. This gap is what ultimately led to the decision that there is a need in the community for a legal framework for foundations.

- The DIFC foundations legislation is based on 3rd generation law – David Russell QC expressed his belief that this makes it arguably the most advanced and most creative in the area, as it does not exclusively enable philanthropic foundations, but also family foundations, which is also how it is distinct from the philanthropic laws in place in Abu Dhabi.
- Whilst foundations may go offshore to register their foundations, there tends to be a series of government and regulatory complexities in those arenas. Alternatively, companies may also choose to register outside but operate within the UAE, which would result in the entity being treated as a foreign-registered company; where they would have to go through a myriad of other decrees, such as anti-corruption, anti- money laundering regulations and reporting methods.



Appendices

Appendix 1

Event Agenda

09:45am – 12:00pm

Jumeirah Emirates Towers Hotel

9:45 – 10:00 Registration

10:00 – 10:10 Welcome Remarks by Yasmine Omari, Executive Director, Pearl Initiative

10:10 – 11:00 Panel Discussion Moderated by Yasmine Omari

David Russell QC, Barrister at Law, Outer Temper Chambers

Khadija Ali, Chief Representative – Business Development Segments, DIFC

Taufiq Rahim, Executive Director, Globesight

11:00 – 11:40 Live Polling and Q&A

11:40 – 12:00 Event Close and Networking

Reflecting on key takeaways from previous discussions and the roundtable.

Key Information

Number of Attendees: 22 attendees

Profile of Attendees: Heads of Family Businesses and Family Offices and Directors managing philanthropic capital

Attendee Feedback:

Quality of registration & administration – **100% satisfaction rate**

Quality of networking experience – **90% satisfaction rate**

Overall quality of event – **95% satisfaction rate**



Appendix 2

Panellists

David Russell QC, Barrister at Law, Outer Temple Chambers

David commenced legal practice in 1974, and after practicing in a number of regions globally, including Australia, England and Wales, New York, Singapore, New Zealand, Papa New Guinea, and Dubai – he was appointed Queen’s Counsel in 1986. He currently practises in Dubai, London, New York and Abu Dhabi (Outer Temple Chambers), Sydney (Ground Floor Wentworth Chambers) and Brisbane (Sir Harry Gibbs Chambers). David Russell is the Chairman of the Wealth Management Working Group, appointed by the DIFC to draft their Foundations Law.

Khadija Ali, Chief Representative – Business Development Segments, DIFC

During her 14 year career with DIFC Authority, Khadija Ali has garnered a wealth of experience focused on sustainable business development and financial sector growth, and plays a key role in cultivating and promoting the business development strategies of Dubai International Financial Centre, whilst also shaping the strategic positioning of the DIFC brand regionally and globally.

In 2009, Ms. Ali was selected to participate in the Future Leaders programme, launched by DIFC in partnership with Standard Chartered Bank (SCB), to support the next generation of highly skilled UAE leaders and develop promising talent within organisations.

Taufiq Rahim, Executive Director, Globesight

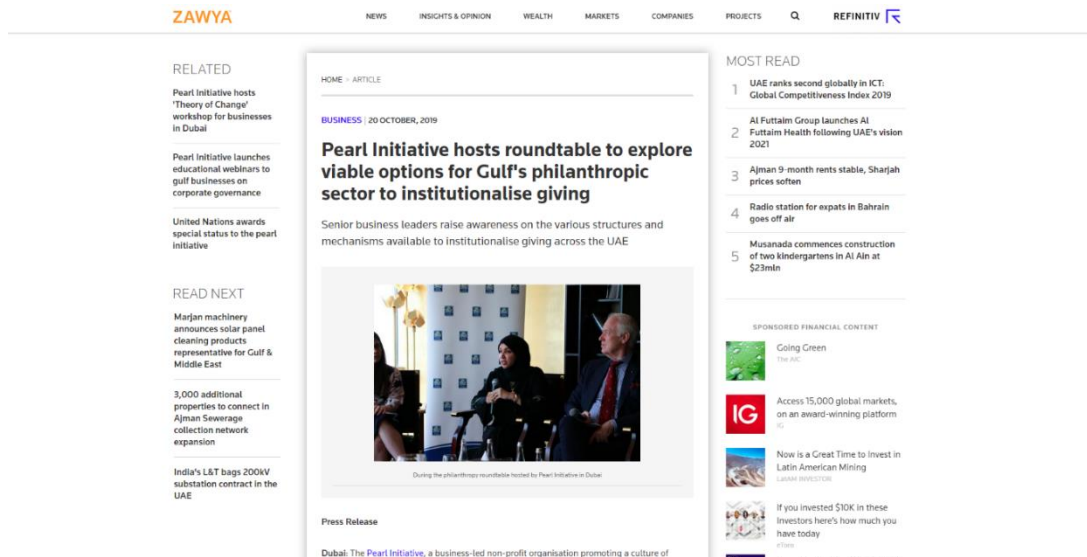
Taufiq Rahim is Executive Director of Globesight, an advisory firm empowering social impact in the Middle East, Africa and South Asia and a Research Fellow (non-resident) at the Mohammed bin Rashid School of Government. Working with leading philanthropic institutions on developing organizational, program, and partnership strategies, Globesight also publishes original insights on key global development issues. Taufiq has served as an Expert with the United Nations Alliance of Civilizations, an affiliate with Chatham House and is currently a Senior Fellow at New America.

Taufiq previously worked with McKinsey & Company, the United Nations, Dubai School of Government, and the Aga Khan Foundation. He obtained his M.P.P. from the Harvard Kennedy School and his A.B. from Princeton. He is originally from Vancouver, Canada.

Appendix 3

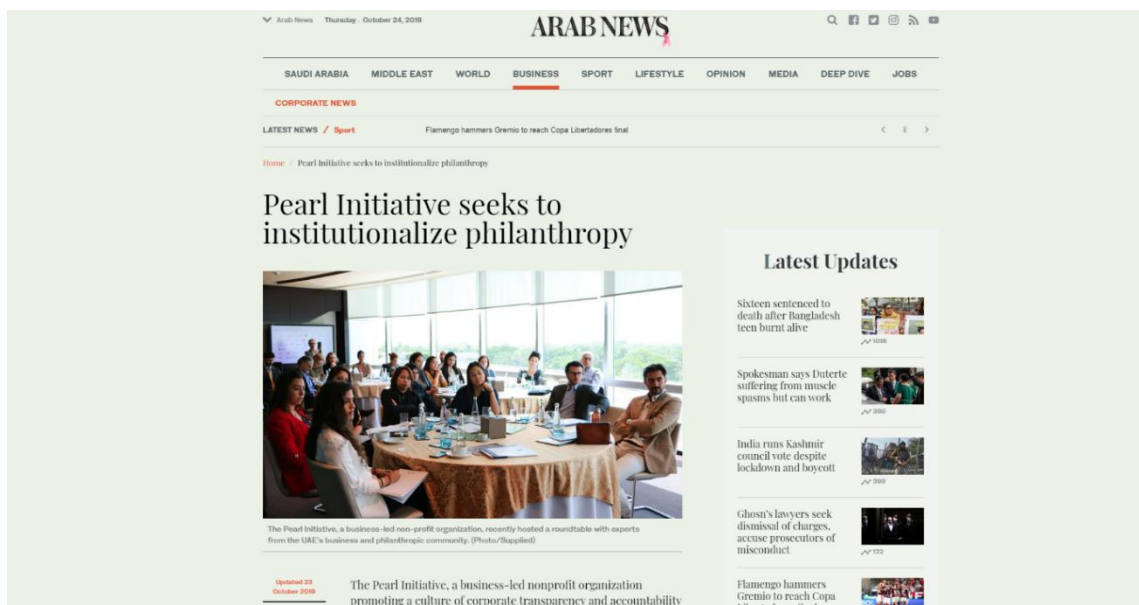
Media Coverage

Zawya (20 October 2019): “Pearl Initiative hosts roundtable to explore viable options for Gulf’s philanthropic sector to institutionalise giving”



The screenshot shows a Zawya news article. The main headline is "Pearl Initiative hosts roundtable to explore viable options for Gulf's philanthropic sector to institutionalise giving". The sub-headline reads: "Senior business leaders raise awareness on the various structures and mechanisms available to institutionalise giving across the UAE". The article is dated 20 October, 2019. There is a photo of a roundtable discussion. The left sidebar contains "RELATED" and "READ NEXT" sections. The right sidebar contains a "MOST READ" list and "SPONSORED FINANCIAL CONTENT".

Arab News (20 October 2019): “Pearl Initiative seeks to institutionalise philanthropy”



The screenshot shows an Arab News article. The main headline is "Pearl Initiative seeks to institutionalize philanthropy". The sub-headline reads: "The Pearl Initiative, a business-led nonprofit organization, recently hosted a roundtable with experts from the UAE's business and philanthropic community. (Photo/Supplied)". The article is dated Thursday, October 24, 2019. There is a photo of a roundtable discussion. The right sidebar contains a "Latest Updates" section with several news items.

Appendix 4

Pearl Initiative Team

Yasmine Omari, Executive Director



An expert in governance for family firms, Yasmine joined the Pearl Initiative as Head of Programmes, and became Executive Director in 2019. She has experience in the implementation and operation of governance systems, as well as business performance and risk management capabilities for private companies and family offices. Prior to joining the Pearl Initiative, Yasmine was a Senior Manager at Deloitte and supported clients in navigating the business challenges faced by entrepreneurial families in business. Yasmine has a legal background and holds a degree in Law and Arabic from SOAS, University of London.

Lamia Adi, Senior Programme Associate



Before joining the Pearl Initiative, Lamia worked with Pink Tank, the Dubai-based consultancy focusing on research and knowledge-based conferences in the Gulf Region. In her role at the Pearl Initiative, she supports in planning, managing and implementing governance and diversity programmes across the Gulf Region. A graduate of bachelor's degree in Foreign Service from Georgetown's University School of Foreign Service with a minor in Arab and Regional Studies, she is keen on contextualising research and adding tangible value to the region.

Sumaya Nair, Junior Programme Assistant



Having previously worked closely with developmental social enterprises in the UAE, Sumaya is concerned about a wide range of global issues, including conflict zones, humanitarianism and philanthropy. With a degree in International Politics, she is also passionate about corporate governance and the role the private sector has in pushing forward the SDGs. At her role at the Pearl Initiative, she supports in the managing and implementing of the Governance in Philanthropy and Governance in Family Firms programmes in the Gulf Region.