

DIFC Variable Capital Company (VCC)

The smarter way to hold, structure, and protect your assets in UAE

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The DIFC has launched one of the most exciting corporate vehicles in the region, which is the Variable Capital Company (VCC). Whether you are a family managing multigenerational wealth, an investor holding multiple assets across different strategies, or a business structuring complex financing arrangements, the VCC was built for you.

It combines the legal robustness of a DIFC company with the capital flexibility of an investment fund — all within a single, cost-effective structure.

One structure. Multiple strategies. Complete asset protection.

What Is a DIFC VCC?

A VCC is a private limited company incorporated in the DIFC whose share capital is always equal to its Net Asset Value (NAV). This means capital adjusts automatically as asset values change.

Unlike a traditional company, a VCC can make distributions directly from capital (not just from profits), and shares can be issued or redeemed at NAV with a simple board resolution. It is designed to behave like a fund, but without the regulatory burden of one.

A VCC can operate as a standalone holding entity, or as an umbrella structure with multiple compartments — called Cells — each ring-fencing its own assets and liabilities.

Two Ways to Structure Your VCC

A VCC can be set up with either Segregated Cells or Incorporated Cells — but not both.

The right choice depends on your goals.

Segregated Cells (SCs)

Each Segregated Cell is a legally distinct compartment within the VCC. The assets and liabilities of each Cell are completely ring-fenced from other Cells and from the VCC itself, but the whole structure remains one single legal entity. This means one set of consolidated accounts, one tax filing, and lower administrative costs.

Segregated Cells are ideal for families or investors who want to separate investment strategies or risk profiles without the overhead of running multiple companies.

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Incorporated Cells (ICs)

Each Incorporated Cell is a fully separate legal company, with its own legal personality, its own Articles of Association, and its own licence. It can contract, sue, and be sued in its own name.

Incorporated Cells are suited to more complex structures where strong legal independence between compartments is essential, such as PE/VC portfolios, IP licensing structures, or arrangements that may require a spin-out in the future.

Segregated Cells cost \$300 to form. Incorporated Cells cost \$100 to incorporate, plus a \$1,000 annual licence each.

Who Is the DIFC VCC For?

The VCC is open to any applicant. Here are some of the most compelling real-world applications:

Family Offices & Multigenerational Wealth

A large family can use a VCC with Segregated Cells to hold different investment strategies under one roof. Cell A might hold a conservative portfolio of blue-chip equities for the older generation; Cell B could pursue a higher-risk venture capital strategy for the next generation; Cell C could hold international real estate; and Cell D could be dedicated to private debt or sukuk. Each Cell has its own NAV, so family members can invest or redeem at the Cell level without affecting the rest of the portfolio. Succession, inheritance, and governance become far more efficient with a single shared platform for administration and reporting.

Property Portfolios

A property investor acquiring multiple UAE or GCC assets can place each property in its own Cell. A Dubai villa in SC 1, a Sharjah warehouse in SC 2, an Abu Dhabi apartment block in SC 3. Each property is ring-fenced, where mortgages, tenant disputes, or legal claims tied to one property cannot affect the others. Co-investors can be brought in at the individual property level through Cell Share subscriptions, without touching the wider portfolio.

Aircraft, Yachts & High-Value Assets

A private client holding multiple high-value assets can use a VCC to isolate each one. One Cell holds a Gulfstream jet, another holds a superyacht. Each Cell carries its own financing, insurance, and maintenance obligations. If a liability arises from one asset, it stays within that Cell, the rest of the structure remains fully protected. Co-owners can subscribe for Cell Shares in only the asset they co-own.

Intellectual Property Structures

A technology company or entrepreneur can use a VCC with Incorporated Cells to separate different IP lines. IC A holds AI-related patents; IC B holds trademarks and branding; IC C holds SaaS licensing agreements. Each IC contracts and licenses in its own name, ring-fencing liability from infringement claims. This creates a clean, investor-ready structure for businesses preparing for international expansion or fundraising.

Crowdfunding & Investment Platforms

A DFSA-licensed crowdfunding platform can use a VCC as the underlying asset-holding vehicle, with each Cell representing a separate investment deal. SC 1 holds equity in a logistics startup; SC 2 holds a revenue-sharing interest in a restaurant group; SC 3 holds a debt note issued by an SME. Investors subscribe for Cell Shares corresponding to their specific deal, with full liability separation between investments.

From family wealth to aviation to IP to crowdfunding — the VCC adapts to your structure, not the other way around.

Setup Process & Fees

Setting up a DIFC VCC is straightforward. Applications are submitted online through the DIFC portal. The Registrar reviews the structure and documentation, and upon approval, the applicant proceeds with final incorporation — submitting constitutional documents, confirming appointments, and establishing a registered office.

Unless it qualifies as an Exempt VCC, every VCC must appoint a DIFC-licensed Corporate Service Provider (CSP) to handle compliance, filings, and registered office requirements. A VCC is not permitted to employ its own staff — all operational functions are outsourced to the CSP.

DIFC fees are as follows:

Item	Fee (USD)
VCC Incorporation	\$100
Incorporated Cell Incorporation	\$100
Segregated Cell Formation	\$300
VCC Annual Licence Fee	\$1,000
Incorporated Cell Annual Licence Fee	\$1,000
Confirmation Statement	\$300

Note: Fees above are DIFC government fees only and exclude CSP fees, data protection registration, and office leasing costs. A physical registered office in the DIFC is required for all entities.

The DIFC VCC Is Here. So Is Eptalex

The DIFC VCC is a powerful tool — but only in the right hands. Eptalex is an international law firm with expertise spanning corporate law, funds and financial regulatory, intellectual property, real estate,

taxation, and private clients. We work across borders, across practice areas, and across every complexity your structure may bring. If you are ready to set up your VCC in the DIFC, we are ready to make it happen. Contact Eptalex — and structure with confidence."

The VCC regime is now live. There has never been a better time to structure your assets in the DIFC.

Disclaimer: This article is for general informational purposes only and does not constitute legal, financial, or professional advice. Information is based on the DIFC Variable Capital Company Regulations 2026 and publicly available DIFC materials. Readers should seek independent legal advice before making decisions in reliance on this content.