



In his capacity as Ruler of Abu Dhabi

Khalifa bin Zayed

issues new family business ownership governance law

Reinforcing the sector's contribution to the economy

New family business ownership governance law empowers owners to:



Prevent selling of shares or dividends to individuals or companies outside the family



Require prior approval from family members before a shareholder sells their respective equity stake to a non-family member



Issue family-owned shares with weighted voting rights



Prevent pledging of family-owned business as encumbered assets, to avoid expropriation

New law:

- is not applicable to family-owned businesses where non-family members own more than 40% of shares
- is applied to family-owned businesses on an opt-in basis for owners or co-founders by submitting a request to ADDED
- ADDED will issue the executive and administrative regulations of the new law from March 2022

and aims to:



Further enhance family-owned business legislative ecosystem



Adopt a more flexible and sustainable economic model, in line with best international governance practices



Ensure smooth transition of family businesses from one generation to the next



Boost family businesses' contribution to the diversification and growth of the economy

