

# Leading Middle East Private Wealth & Family Offices Partner, Sunita Singh-Dalal on Time, Dedication and Empathy

Sunita recently served on our panel of experts for the Hubbis digital dialogue event covering the subject of wealth and legacy planning. We caught up with her separately to dive deeper into her strongly held views on these important topics, and also for what proved to be a surprising and delightful glimpse into her life, one that continues to be guided by the beliefs of her late grandfather, her mentor and hero.

If we are the sum of our past experiences, then it is of little surprise that Dubai-based partner Sunita Singh-Dalal, is such a multi-faceted and ambitious personality. Born in London, raised by her prominent politician and philanthropist grandfather in Northern India, once kidnapped when only a young child, and later winning many accolades as a young lawyer in London, she and her eminent physician husband are enjoying remarkable careers, as well as raising two sons and instilling their values of dedication, empathy, humility and civic duty. It therefore also comes as no surprise that Sunita is so passionate about her role advising on and executing wealth and succession planning and structuring for private clients and their families. She quips that she can come over as more than a little persistent when advising her clients in Dubai, India and the greater GCC of the vital importance of sustainable, harmonious and robust estate and legacy planning. But she also reports that the clients soon come to appreciate her dogged approach.

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Sunita Singh-Dalal

### More about the Hubbis Digital Dialogue

The state of the wealth management sector in the GCC, and the evolution of carefully planned, well-executed estate and succession planning, were debated in-depth at the January 28 Hubbis Digital Dialogue event. Sunita's expertise helped guide the discussion in which the experts opined on the progress to date, the keys to the evolution of the market, and what steps should be taken by both the authorities in the region and by the private sector to create a clear roadmap for the development and growth of the wealth and legacy planning sector to reach its full potential.

### The momentum picks up

"Private wealth advisors witnessed a clear uptake in clients seeking assistance with asset protection and legacy planning in the Middle Eastern region since the UAE introduced Foundations in 2017. Interestingly though, the QFC (Qatar Financial Centre) was the first GCC member state to introduce Foundations legislation in 2015. This momentum further increased since the onset of the

pandemic, which brought the very harsh realities of mortality to the fore. The regulatory environment and recent liberalised investment policies both in the UAE and across the GCC, have been tremendously encouraging. Governments reacted rapidly during the pandemic to adapt and introduce legislation to help residents and businesses stay afloat, thereby enabling business families to concentrate on other key issues such as succession planning."

collectively we have made a positive impact on the family and their wealth succession plan."

### The GCC Authorities oil the wheels of Progression

There are many misconceptions of the correct way of the application of Sharia' Law and it is critical to understand that Sharia' Law needs not be a factor in relation to Middle Eastern estates. "Therefore", she

**"Ironically, it is not necessarily costs which are the prohibitive factor for advisors," she observes, "I find what clients need is not financial resources, but time. Clients need to invest their time to create an effective and viable estate and succession plan."**

### Time is of the essence

Sunita reports that during the pandemic, clients have been made acutely aware of their mortality and are keener than ever before to enshrine succession plans within formal private constitutions to protect and preserve their wealth. "Ironically, it is not necessarily costs which are the prohibitive factor for advisors," she observes, "I find what clients need is not financial resources, but time. Clients need to invest their time to create an effective and viable estate and succession plan."

"This is where the real challenge lies. Not only do we need clients to commit to the governance process, we need them to remain consistently engaged and committed, until the actual task is complete. It is a lengthy and detailed process, but once complete, it provides peace of mind to both the clients and us (their trusted advisors), knowing that

comments, "in terms of private clients and families, we have seen some extremely significant legislation introduced in the past two years, for example, the new 2020 Family Contract Law in Dubai, that formally regulates the ownership of family assets. We have also seen changes to the Personal Status Law, which helped clarify that for non-UAE Nationals, the laws of one's home country would apply to their UAE estate, if they died without leaving a valid will in the UAE. Indeed, the global private wealth community intricacies of wealth planning solutions for clients with Middle Eastern portfolios of assets. These solutions are available to both Muslim and non-Muslim clients." She mentions, "Do you realise that in the next decade alone we expect circa AED 3.67 trillion being transferred within Middle Eastern families, that is no mean feat! In readiness for this the DIFC has established the first ever Global

Family Business and Private Wealth Centre in August 2022. Developments such as this give me much hope and prove that the dialogue in the region is indeed changing."

She highlights that this has contributed to an accommodating positive regulatory and political environment in the region. For example, there are new revised UAE foreign direct investment rules emerging in the UAE that permit 100% foreign direct ownership in certain sectors, and she highlights initiatives such as the recent Abraham Accords that have encouraged improved trade and political relationships amongst the GCC member states and within the Middle Eastern region, including with Israel. There has also been a flurry of new long term visas introduced in the UAE, aimed at retaining wealth and attracting a higher caliber calibre of talent amongst professionals. Certain measures are seen as unprecedented, such as the recent UAE citizenship option granted to certain qualifying foreign nationals.

The Kingdom of Saudi Arabia has similarly introduced revised foreign direct investment provisions, allowing 100% foreign investment in many sectors, which has triggered a huge influx of investment. The Saudi authorities also announced revised citizenship schemes and long-term residency options.

However, the most recent revision to the Saudi Companies Law in 2022 finally distinguished Family Governance from Corporate Governance and confirmed the enforceability of Family Charters and Shareholder Agreements in the local courts. "This is truly groundbreaking for all Saudi business families!" says Sunita.

### Key Priorities

"Much of the wealth in this region has been created over many decades and has remained within the families that created it. We live in a society that has deep rooted, cultural and social principles of wealth management. It is vital that trusted advisors to such families, understand and appreciate that the preservation of wealth and culture, is essential to the preservation of this society."

Sunita cites her three key missions in helping as many of the business families in the region are to implement formal, but harmonious succession plans and family constitutions; educating the private wealth advisory community on the legal and cultural concepts and options currently available; and thirdly, to continue encouraging the international private wealth community to adopt a more collaborative approach in order to create optimal cross border, compatible, structures to achieve the best results for clients.

### Common Law, Trusts and Foundations

On that point, she highlights the two common law jurisdictions in the GCC, namely the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM), both allowing for trust and foundation structures that can (where appropriate) own certain offshore and domestic GCC moveable and immoveable assets; "this has been an absolute game-changer!" Whereas the DIFC has its own codified laws and regulations based on common law, the ADGM offers a hybrid of specifically codified laws in conjunction with English law. The RAKICC also offers a Foundation that is compatible with the laws of the DIFC and ADGM.

"Foundations are incredibly versatile structures, if used correctly. They can be used for estate and succession planning purposes, or even for the purposes of segregating assets as a precursor to an IPO. They can

also be used for creating Sharia' compliant succession plans" she says categorically. As of the 31st of August 2022, the UAE had more than 550 Foundations; "that statistically alone not only reflects the growth and progression of wealth management in this region, but also the tremendous potential for the wealth management industry in this region!"

Sunita explains that the UAE is globally considered to be one of the newest and most progressive IFC's. An indication of such progress can be gleaned from the DIFC's Court of Appeal decision in January 2021, which helped clarify many questions in relation to Trusts and Foundations, including the interplay between Sharia' Law, Federal Law and laws of the DIFC. Not only was this decision critical for members of the UAE's private wealth community who have been actively seeking clarity on such points, but it was also paramount for clients who wish to entrust their family wealth to the new wealth management structures



and solutions that are now available in the region, as it confirmed that the DIFC Foundation can indeed hold assets as a Trustee.

"The regulators and authorities are positive, encouraging and willing to listen to constructive feedback as they continually try to improve their product offerings and compete with other IFC's," she says, "which is tremendously important to the development of the region's wealth management industry."

that families receive from their trusted advisors. These matters are complex and require sophisticated, informed, forward-thinking solutions that are compliant and robust, particularly for clients with real estate assets, operational businesses and perhaps family members dotted around the globe."

### **Guiding and mentoring**

Sunita remains committed to guiding relationship managers and

**"A Will by itself is neither a truly effective succession plan, nor a perfect solution to estate planning, especially when operational businesses are involved – it can do more harm than good!"**

### **Education is vital**

A key mission for Sunita is to spread awareness within the professional wealth management community on the virtues of robust and sustainable estate and succession planning solutions.

"In between advising clients I have made a conscious decision to share knowledge, with a view to dispelling some of the common misconceptions about this region, that existed amongst the professionals in the wider international private wealth community," she explains. "This might involve training teams of relationship managers, private bankers, wealth managers, accountants, trustees, lawyers, CSPs or IFAs, on how to approach these matters by implementing the most suitable structures to achieve the clients' objectives. There is still a considerable lack of awareness within the private wealth ecosystem in this region, as well as a large amount of misinformation

other gatekeepers to advise their clients on the most appropriate regional asset protection and succession planning options. "All too often we see professional advisors and/or clients, expecting quick, inexpensive wealth management solutions when restructuring assets, de-personalising ownership of assets, or transferring businesses, real estate or other assets into structures such as foundations," she comments. "It can be hugely frustrating as we need clients to understand that there is no ready-made solution to secure and preserve private wealth. No two families or portfolios are the same, therefore how can we follow a one size fits all type of approach? It simply makes no sense and is hugely detrimental to the client and their family!"

### **Where there is a Will...**

Sunita also comments that clients frequently assume that if they have a Will, they are organised. "A Will by itself is neither a truly

effective succession plan, nor a perfect solution to estate planning, especially when operational businesses are involved – it can do more harm than good!" she states clearly. "And there really is no readymade solution; it takes expertise, insight and time to analyse issues and create an optimal succession plan for the client, which even then, requires consistent monitoring to ensure that it continues to remain optimal, relevant and appropriate for the family."

### **Open dialogue is essential**

"To achieve those goals, she and other experts need open dialogue, not only with the founders, but also across other generations of the families. Transparency of information leads to a genuine buy-in from the entire family, but that cannot be achieved without a proper understanding of the aims and objectives of the founder, as well as of the other family members, who are equally important and integral to the initial consultation process" she states. "And as nothing remains static in life, a succession plan must similarly be capable of adapting to changing circumstances and evolution, so that assets remain protected regardless of unforeseen situations."

### **Working collaboratively**

Sunita also knows from experience that complex solutions usually require multiple disciplines to be involved. "When helping clients protect their assets and prepare a truly robust and sustainable estate and succession plan, it simply doesn't make sense to advise in isolation," she says. "One must assemble the very best advisory

team, because there are multiple issues involved in large family situations, including cross-border tax, residency, domicile, differing asset classes, geographic locations, and substance requirements, to name but a few. Putting together the best cross border advisory team at the outset, whilst ensuring consistent collaboration between the different advisors, are key elements for a successful outcome for the client."

### **Planting the seeds**

She concedes that her seeds of advice do not always fall on fertile ground, saying that she sometimes feels dismayed to be faced with a client who approaches her with outdated, preconceived ideas and simply wants to know "how much it will all cost?" However conversely, she says "there are also cases when clients do listen to advice constructively and follow it; that in itself is extremely gratifying."

"Such matters should never be driven by price, but more so by the overriding need to properly preserve, enhance and protect ancestral family wealth," she states. "Nevertheless, things are improving - the understanding of the need to address and implement formal wealth management solutions, and the positive engagement with professional advisors in the region, particularly by the second, third and fourth generations is truly noticeable. There is a whole new perspective gradually dawning in the region, which is very refreshing."

### **Greater enlightenment**

She reports that investment trends in the region reflect such enlightenment. "In the Middle East today, the statistics show us that the second and third generations are far better educated and aware



of the importance of diversification of portfolios and current topical issues such as FinTech, Crypto/Digital trading and sustainable, ESG impact investing. Interestingly, sustainability is integral to many Sharia' principles that reflect the invaluable concept of community-driven philanthropy and charity."

But she also knows that this is pioneering work to some extent and that these are early days. "There is still much work to be done to spread awareness across all the generations, on the necessity and benefits of ESG and sustainability in terms of investment allocation; this is a huge opportunity and this excites me!" she reports.

### **Harassing, but with good intent**

She closes the conversation by joking that she has earned a reputation of being a formidable adviser to her clients on these matters. "However," she says, "they genuinely appreciate my sincerity,

persistence and vision, as I remain invested and handhold them through the entire process."

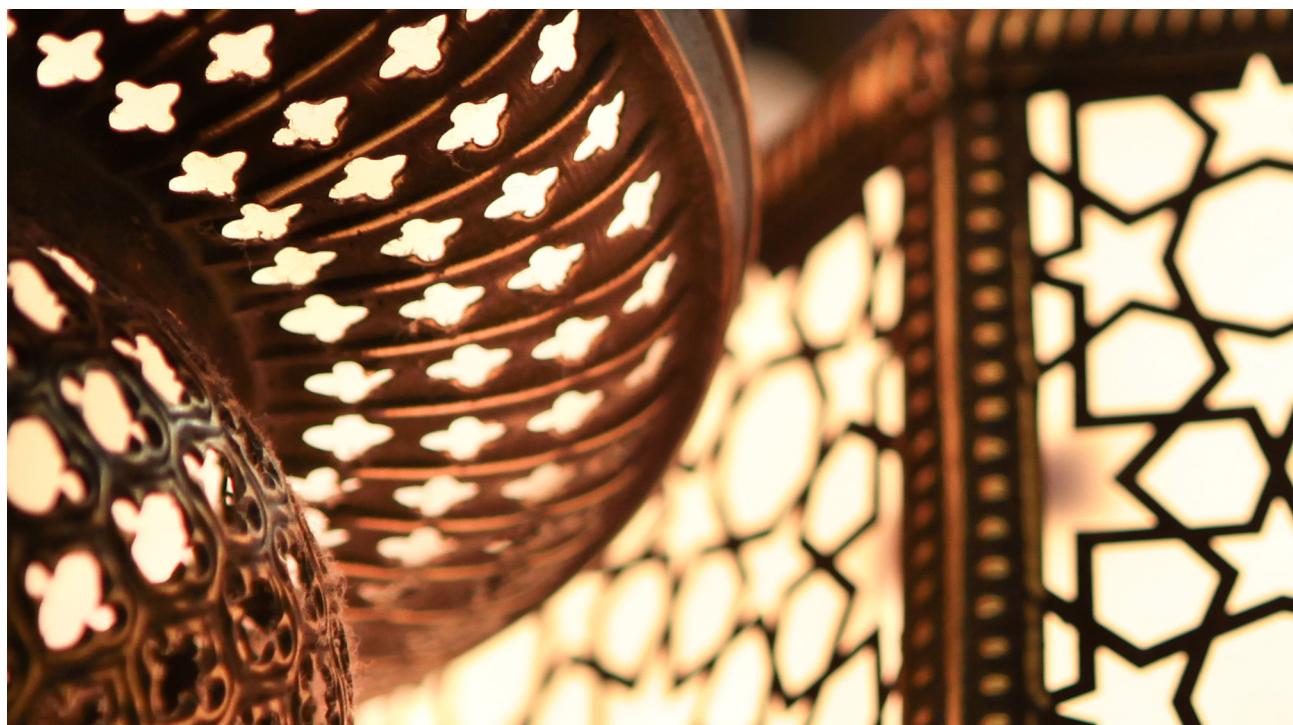
She remarks that there are extremely positive moments when there are real breakthroughs. This might, for example, be during a long call going on late into the evening with a number of family members on the call. "There can be key moments of transparency and clarity when they achieve a clear, healthy understanding of the ultimate goal that we are all striving to collectively achieve and are able to candidly communicate on some of the most sensitive core issues," she explains. "This means they have unanimously understood the crucial importance of robust structuring and can then proceed to jointly agree upon the implementation of the most appropriate solution, using regional and domestic options that will help secure and preserve their family wealth, both now and in the future. To be part of that process is genuinely rewarding."

### **On the right path...**

In conclusion, Sunita reports that she sees many positive advances and developments in the region. "Since 2020 we have seen a flurry of new legislations introduced, both in a bid to meet international IFC standards, CRS and FATCA regulations, and to help the global businesses and families who entrusted their wealth to the UAE economy."

We are also about to witness the introduction of the new UAE Federal Trust Law, which I predict will be another gamechanger not only for this region, but also for the global Trust industry.

The Middle East is certainly on the right path and trajectory, and this is just the beginning for the wealth management sector in the region. It is certainly going to be an exciting and rewarding journey for those integral to this region and industry, with so much more for us to create, develop and establish! ■



## Getting Personal with Sunita Singh-Dalal

Sunita was born in London but raised by her late Grandfather in India and schooled in the former British summer Capital of India in the foothills of the Himalayas at Auckland House, Shimla. "Leadership came at an early age," she recalls, "as I was so influenced by my late grandfather who was a freedom fighter, educationalist, politician and philanthropist in Northern India. We grew up learning the importance of serving and looking after our constituents, with a deep sense of duty and responsibility."

She remembers tea parties on her grandfather's lawn with Heads of State and many famous personalities and visits to the spectacular Rashtrapati Bhavan to attend State Banquets and events.

"My childhood was exciting, rather unconventional and certainly unusual," she reports. "For example, I distinctly remember the chaos caused by someone deliberately unleashing a drove of wild pigs onto the lawn (as a silent protest) amidst a garden party attended by the late Colonel Ghaddafi."

Another vivid memory was being taken hostage by terrorists during the tragic Hindu-Sikh riots in the 1980s. "That was not quite so amusing, I can assure you," she states. "The episode involved a car chase across states, a kidnapping and a shootout that went on for some hours under siege! We survived, but not totally unscathed, as memories of those horrible moments also survive with us to this day. Escaping soon after that traumatic incident to a wonderful 'Malory Towers' type boarding school, to get out of the public eye and lead a normal childhood, was a welcome tonic at that age."

Sunita studied law in London, although much to her grandfather's chagrin she decided not to join the English Bar. "I saw the role of a solicitor as far more instrumental, interesting and liberating," she explains, "and returned to India in the 1990s to take up a pupillage with the erstwhile & revered President of the Supreme Court Bar, the late RK Jain. My Grandfather wanted me to practice as an advocate in the Supreme Court of India, marry 'a suitable boy' and probably succeed or join him in politics and take on his seat in our Northern Indian constituency. However, I became exceedingly frustrated by the Indian legal system and returned to London rather disillusioned."

She joined a small law firm in Belgravia, London and completed the LPC. "I am proud of a number of firsts during my days in London," she reports. "I was the youngest south Asian solicitor to take partnership, and I became the first female Chair of the British Indian Law Association, the first foreign lawyer to address the Indian legal fraternity - at the behest of the LCD – when I spoke on the importance of granting foreign lawyers practice rights in India; a debate which is still very much alive to this day!"

Sunita says she is blessed to have led an exciting and gratifying life and remains focused on goals which, she concedes, evolve as she gets older and occasionally, a bit wiser.

She is also justifiably immensely proud of her husband, an eminent physician who has worked tirelessly throughout the pandemic to keep patients and staff safe, well and protected.

"He is an amazing gentleman whom my late Father described as 'a Man of God,'" she says. "Although we come from culturally diverse backgrounds – he is Sri Lankan by birth - our ethics and cultural beliefs are truly aligned."

They have two sons, who "despite having busy working parents, seem to flourish in Dubai, and are both great musicians, horse riders, fencing and tennis champions." Sunita reports.

She says she and her husband are humbled and truly appreciative of the wonderful life they have created for themselves in Dubai. "It has been great for our careers and is also ideally located in close proximity to

India, Sri Lanka and Europe. We simply love living in Dubai, which is a peaceful, multicultural melting pot of culture and innovation that is hugely enriching for our sons,” she says. “We teach our sons the importance of sharing our good fortune, by giving back to those that need our support and care, and in the current tumultuous world that we now live in, such values are even more important than ever before.”

Sunita and her family travel frequently to their homes in Italy.

She elucidates on the Italian connection, explaining that she was unofficially adopted by a traditional Southern Italian clan called ‘La Famiglia Moretta’ who live on a farm nestled amongst vineyards and olive groves between Naples and Rome. “We normally decamp there at least once, if not twice a year, especially at Easter or during the long summer holidays. It is so different to our life in Dubai and is hidden away in a magical location,” she reports, “we have such a strong bond with Italy. Interestingly, the Italian culture and strong belief in the institution of family is synonymous with Eastern culture and we find that we have so much in common.”

During the Pandemic when travel remained off limits, the family lived vicariously through her family banquets that they enjoyed at home together. “Throughout the lockdown my sons helped me prepare food parcels for those less fortunate or who had lost their jobs,” she says, “as well as cooking delicious meals for the medical teams at my husband’s hospital, to thank them for their tireless dedication.”

Her final comment is that she has had a lifelong education in the importance of humility, empathy and philanthropy, all of which her upbringing instilled in her from a very young age. “I believe in service, dedication, determination and focus,” she says. “I sincerely hope and believe that my legacy will live on through our sons and pray that they continue to remember the importance of giving back and taking care of everyone around us.”

**“Be the change you want to see in the world....”**

### What Next?

Having taken a break from her practice to undergo medical treatment, Sunita is now ready to plunge back into the private client arena and is raring to go! She leads the Private Wealth & Family Offices practice at Hourani & Partners across the GCC and India.

“I am very excited to join Hourani & Partners, a leading, full-service law firm in the Middle-East with offices in Saudi Arabia, UAE and the US. There is so much yet for me to do in the region to help bring about change and what better way to do so, than to join a progressive, dynamic set of advisors that are already integral to the progression of the Middle East!”

