LEGAL EXPERT OPINION

Mauritius SILIB + Liechtenstein Law

The UAE Resident Policyholder — Creditor Attack Scenario

Scope of Opinion: The legal and tax position of a UAE-resident individual as policyholder of a Mauritius SILIB governed by Liechtenstein law (VersVG / Art. 78 EO), with family members designated as beneficiaries, when creditors attempt to access the policy assets. Special focus: the impact of the new UAE enforcement framework under Article 222 of Federal Decree-Law No. 42 of 2022 (New Civil Procedure Law) and Federal Decree-Law No. 51 of 2023 on Financial Restructuring and Bankruptcy.

Jurisdiction	Key Legal Framework
UAE Law	Federal Decree-Law No. 51/2023 (Bankruptcy) · Art. 222 Civil Procedure Law No. 42/2022 · UAE Civil Code (Federal Law No. 5/1985 as amended) · UAE PIL Arts 10-28 · DIFC/ADGM enforcement framework
Liechtenstein	VersVG Art. 78 & 79 (creditor protection & transfer) · RSO Arts 65, 67, 74 (contestation) · IICA Choice of Law · Gasser Partner (2007)
Mauritius	Insurance Act 2005 §2, §81(5) · SILIB Rules 2022 · Code Civil Mauricien Art. 1134 · FSC Regulatory Framework
Third-Country Custodian	CPR Part 72 (UK TPDO) · Servis-Terminal v Drelle [2025] EWCA · Custodian segregation under SILIB Rules 2022 r.5(2)

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Mauritius SILIB & International Tax Structuring | April 2026
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PART I

The New UAE Enforcement Environment — Why Asset Location No Longer Protects

The starting point of this opinion is a frank assessment of the transformed UAE legal landscape for creditor enforcement. The combination of the new Civil Procedure Law (Federal Decree-Law No. 42 of 2022) and the new Bankruptcy Law (Federal Decree-Law No. 51 of 2023, effective 1 May 2024) has fundamentally changed the risk profile for UAE-resident debtors. In this environment, how you hold assets has become more important than where you hold them.

1.1 Article 222 — The Foreign Judgment Enforcement Revolution

Article 222 of Federal Decree-Law No. 42 of 2022 on the Civil Procedure Law (the 'New CPL') fundamentally changed the enforceability of foreign judgments in the UAE. Previously, enforcement required a bilateral treaty with the originating jurisdiction — a high threshold that protected many debtors from overseas creditors.

> *"Judgments and orders delivered by a foreign country may be ordered to be executed in the State under the same conditions as prescribed in the law of that country for the execution of judgments and orders issued in the State."*

Source: Article 222(1), Federal Decree-Law No. 42 of 2022.

› No bilateral treaty required	The Court of Cassation confirmed in Appeal No. 339/2024 (Civil) that foreign judgments can be enforced even without a bilateral treaty, provided the conditions of Art. 222 are met. This applies to judgments from the UK, EU, US, India, China — anywhere.
› Concurrent jurisdiction — no longer a bar	The Dubai Court of Cassation (Appeal No. 339/2024) confirmed: where UAE courts and the foreign court both had competent jurisdiction ('concurrent jurisdiction'), this does NOT prevent enforcement. Only UAE exclusive jurisdiction blocks enforcement.
› 5-day turnaround for the execution judge	Art. 222 requires the execution judge to issue the enforcement order within 5 days of the petition. The entire process — from filing to asset freeze — can move within weeks.
› Execution Court directly attacks bank accounts	Once recognised, the execution judge issues electronic instructions to: the UAE Central Bank (freeze all bank accounts); the Dubai Land Department (block property transfers); the Department of Economic Development (suspend commercial licences). The 'Execution+' digital programme makes this automated and near-instantaneous.
› Three-Day Rule — ex-parte freezes	Cabinet Decision No. 75 of 2022 refined the 'Petition Order' system. The execution judge reviews ex-parte (debtor not notified). An initial freeze can be in place within 3 working days. The debtor may not know their accounts are frozen until it has happened.
› Reciprocity with UK confirmed (2022)	A UAE Ministry of Justice directive (September 2022) confirmed that English High Court judgments are enforceable in UAE on the principle of reciprocity — without requiring a bilateral treaty. This followed the UK case Lenkor Energy Trading DMCC v Puri [2020] EWHC 75, where a UK court enforced a Dubai judgment.

1.2 Federal Decree-Law No. 51/2023 — The Bankruptcy Law Reaches All Global Assets

The Debtor's Assets definition under the 2023 Bankruptcy Law is explicitly extraterritorial:

> *"All movable and immovable properties owned by the debtor inside and outside the State, as well as all the financial rights owed to the debtor by third parties, whether payable immediately or later, and the rights connected with any of them, in addition to any other item that may have a current or future financial value, be it in the debtor's possession or in the possession of third parties... but not including the debtor's assets that may not be attached in accordance with the provisions of the legislation in force in the State."*

Source: Article 1 (Definitions), Federal Decree-Law No. 51 of 2023.

⚠ CRITICAL: The UAE Bankruptcy Law explicitly claims the SILIB policy as part of the Debtor's Assets — because it is an asset owned by the UAE debtor. The UAE trustee WILL assert jurisdiction over the policy. The question is whether they can enforce that claim against a Mauritius insurer with assets held by a third-country custodian.

PART II

The Structure — Parties and Legal Architecture

Party / Element	Detail
UAE Policyholder	UAE resident individual with foreign business and assets in UAE · not a shareholder of the SILIB insurer · switch/shift investment rights only (no direct dealing)
Mauritius SILIB Insurer	FSC-licensed long-term insurer · SILIB Rules 2022 · fifth class of long-term business under Insurance Act 2005 (amended 2 August 2022) · 0% internal tax
Governing Law	Liechtenstein VersVG (Insurance Contract Act) — expressly elected · Art. 78 VersVG creditor protection · Art. 79 VersVG automatic ownership transfer mechanics
Third-Country Custodian	Custodian bank in a jurisdiction other than UAE or Mauritius (e.g. UK, Luxembourg, Switzerland) · holds SILIB assets in segregated account in the SILIB insurer's name — NOT the policyholder's name · subject only to the custodian's home jurisdiction law
External Asset Manager	Independent asset manager · policyholder has switch/shift rights between pre-approved categories only · no direct stock-picking
Beneficiaries	Spouse and/or direct descendants designated as policy beneficiaries — qualifying beneficiaries under Art. 78 VersVG · all jurisdictions assumed for this opinion
UAE Assets (separate)	Bank accounts, real estate, UAE company shares — directly subject to UAE court jurisdiction — NOT inside the SILIB structure — vulnerable to Art. 222 enforcement

Key structural distinction: The SILIB policy itself is NOT a UAE asset. It is a contractual right governed by Liechtenstein law, held by a Mauritius insurer, with assets in a third-country custodian account. The UAE debtor holds a contractual right against a foreign insurer — not a direct ownership interest in the underlying investments. This distinction is central to every legal argument that follows.

PART IIA

UAE Property Structures — How to Hold Dubai Real Estate Inside a SILIB

Art. 12(3) of Federal Decree-Law No. 48 of 2023 (the UAE Insurance Law) creates a mandatory restriction that prevents a UAE-resident policyholder from directly insuring UAE-sited property through a foreign insurer. This Part analyses what that restriction means in practice, and presents the two structures through which UAE freehold real estate can be held within the SILIB framework without breaching the prohibition.

2a.1 Art. 12(3) UAE Insurance Law — The Mandatory Prohibition

> *"No Person may conclude an Insurance Policy with an Insurance Company outside the State to cover any money or property in the State or liabilities arising therein."*

Source: Art. 12(3), Federal Decree-Law No. 48 of 2023 (UAE Insurance Law).

The consequence of breach is severe: Art. 41(4) of the same Law provides that the insurance policy concluded in breach of Art. 12(3) is null and void. The UAE Insurance Law does not specify a personal sanction against the policyholder — the penalty is the voidness of the policy itself, meaning the policyholder obtains no valid insurance cover and the foreign insurer has no enforceable obligation.

⚠ CRITICAL: A SILIB that directly insures UAE real estate — for example by holding DLD-registered title to a Dubai apartment as a policy asset — would violate Art. 12(3). The policy would be void to the extent of that UAE property. This is not a theoretical risk: DLD registration is public and traceable.

The prohibition in Art. 12(3) applies specifically to 'money or property in the State.' It does NOT apply to foreign assets held by a UK, Luxembourg, or Swiss custodian — even if the policyholder is UAE-resident. The SILIB's standard portfolio of foreign securities, bonds, and cash held with a third-country custodian is entirely outside the scope of Art. 12(3). The structuring challenge is confined to UAE-sited real property.

2a.2 Structure A — Clean Structure (Recommended): SILIB → UAE Mainland LLC → UAE Freehold Property

Structure A achieves Art. 12(3) compliance by interposing a UAE Mainland LLC between the SILIB and the real property. The SILIB holds LLC shares — a movable asset with situs in the UAE but characterised as equity, not as 'property in the State' in the insurance law sense. The LLC in turn holds the DLD title deed to the freehold property in its own name. Art. 78 VersVG protects the SILIB's interest in the LLC shares as a policy asset.

Chain: UAE Policyholder → Mauritius SILIB (LI VersVG) → UAE Mainland LLC (100% foreign-owned, DED-registered) → UAE Freehold Property (DLD title deed)

Layer	Legal Instrument	Key Point
UAE Policyholder	SILIB Policy (VersVG)	Policyholder holds contractual rights against the Mauritius insurer only. No direct ownership of UAE assets.
Mauritius SILIB	Policy asset: LLC shares	SILIB holds 100% of the UAE Mainland LLC shares as a policy investment asset. Art. 78 VersVG protects these shares from policyholder creditors.

Layer	Legal Instrument	Key Point
UAE Mainland LLC	Fed. Decree-Law No. 32/2021	100% foreign ownership permitted for most activities since the Commercial Companies Law amendment. LLC is DED-registered and a UAE legal person.
LLC → DLD Title Deed	Law No. 7/2006 (Dubai Freehold); Reg. No. 3/2006	DLD registers the title deed in the LLC name. This is a standard, established process — UAE law permits UAE companies to hold freehold property in designated zones.
Art. 12(3) Analysis	SILIB insures LLC shares, not UAE property directly	The SILIB policy asset is LLC equity (a movable asset). The strongest reading of Art. 12(3) is that it targets insurance covering UAE property itself, not an equity interest in a UAE company that holds property. This argument is plausible but not tested in UAE courts.
Art. 78 VersVG	Operates at SILIB level	Art. 78 VersVG protects the SILIB's interest in the LLC shares as a policy asset. When insolvency proceedings open, all policy assets (including LLC shares) transfer to the designated beneficiaries. The UAE Execution Court cannot instruct the Mauritius insurer to surrender the LLC shares.
Sharia Bypass	SILIB beneficiary designation	UAE succession law (including Sharia principles as applied to non-Muslims and Muslims) would ordinarily govern the policyholder's estate. The SILIB beneficiary designation operates under Liechtenstein law and transfers policy assets (including LLC shares) to designated beneficiaries outside the UAE succession framework.

What the LLC Layer Does and Does NOT Protect

The UAE Mainland LLC is a UAE legal entity. It is subject to UAE court jurisdiction as a matter of UAE law. This has two important consequences that advisers must explain clearly to the policyholder:

Issue	LLC Layer: Protected?	Analysis
Creditor claim against LLC directly	NO — LLC is a UAE entity	If a creditor obtains a UAE court judgment against the LLC itself (e.g. as a party to a UAE contract), UAE courts can execute directly against LLC assets including the property. The LLC layer does not protect against claims directed at the LLC itself.
Creditor claim against policyholder seeking LLC shares	YES — protected by Art. 78 VersVG	The policyholder does not directly hold the LLC shares — the SILIB does. A creditor of the policyholder cannot attach shares held by the Mauritius insurer. Art. 78 VersVG prevents the SILIB from acting on any court order against the policyholder's policy rights.
UAE Bankruptcy trustee claim to LLC shares via SILIB	UNCERTAIN — see Part IV	The trustee will assert that the SILIB policy (including its LLC share asset) is part of the debtor's estate. The Art. 78 VersVG / lex contractus counter-argument applies — but no UAE court has resolved this conflict of laws question for a SILIB holding UAE LLC shares.
DLD property transfer on policyholder death	YES — via SILIB beneficiary chain	On policyholder death, the SILIB beneficiary designation transfers all policy assets (including LLC shares) to the designated beneficiaries under Liechtenstein law — outside UAE succession proceedings. The LLC then continues with the beneficiaries as indirect owners.

Issue	LLC Layer: Protected?	Analysis
Dubai property rental income / management	YES — LLC operates normally	The LLC holds the property and collects rental income in its own name. The SILIB receives LLC distributions as a policy return. There is no day-to-day obstacle to property management through this structure.

DLD Registration Requirements — Structure A

The DLD registers the freehold title deed in the LLC name. The LLC must be DED-registered and hold the relevant trade licence. The property must be in a designated freehold zone under Law No. 7 of 2006 (as implemented by Regulation No. 3 of 2006 and the Master Community Declarations). No special DLD approval is required for a UAE Mainland LLC to hold freehold property in a designated zone — this is an established and well-trodden DLD process.

2a.3 Structure B — Alternative: SILIB → Mauritius VCC Sub-Fund → JAFZA / RAK ICC Entity → UAE Freehold Property

Structure B adds a Mauritius VCC sub-fund as an intermediate holding layer between the SILIB and the UAE-sited entity. The VCC sub-fund is established under the Mauritius Variable Capital Companies Act 2022 and regulated by the FSC (Global Business Licence, GBL). The sub-fund cannot directly hold a DLD title deed — DLD will not register title to a foreign company. However, the sub-fund can own a JAFZA or RAK ICC offshore entity that has a DLD MoU-approved route to hold Dubai freehold property.

> Chain: UAE Policyholder → Mauritius SILIB (LI VersVG) → Mauritius VCC Sub-Fund (FSC, GBL, VCC Act 2022) → JAFZA Offshore Entity or RAK ICC Offshore Entity (DLD MoU-approved) → UAE Freehold Property (DLD title deed)

Layer	Legal Instrument	Key Point
UAE Policyholder	SILIB Policy (VersVG)	Same as Structure A: policyholder holds contractual rights against the Mauritius insurer only.
Mauritius SILIB	Policy asset: VCC Sub-Fund interest	SILIB holds an interest in the Mauritius VCC sub-fund as a policy investment asset. Art. 78 VersVG protects this VCC interest from policyholder creditors.
Mauritius VCC Sub-Fund	VCC Act 2022; FSC GBL licence	Ring-fenced sub-fund. Cannot directly hold DLD title (DLD only registers UAE entities, JAFZA/RAK ICC, DIFC/DMCC entities with approved MoUs). Solution: the sub-fund holds shares in a JAFZA or RAK ICC offshore company.
JAFZA Offshore Entity	DLD MoU since 2011	Jebel Ali Free Zone Authority offshore companies have held a DLD memorandum of understanding since 2011 allowing them to hold Dubai freehold property. DLD registers title in the JAFZA company name.
RAK ICC Offshore Entity	DLD MoU since July 2019	RAK International Corporate Centre offshore companies were added to the DLD-approved list in July 2019. A RAK ICC company can hold Dubai freehold property under the same MoU framework.
DLD Title Deed	Law No. 7/2006; DLD MoU	DLD registers the title deed in the JAFZA or RAK ICC entity name. The foreign company holds legal title. The VCC sub-fund holds the shares of the offshore company.

Layer	Legal Instrument	Key Point
Art. 12(3) Analysis	Stronger argument than Structure A	The SILIB insures a Mauritius VCC sub-fund interest — not even UAE LLC shares. The chain between the SILIB policy asset and UAE real estate involves two intermediate foreign entities. The Art. 12(3) argument that the SILIB is not covering 'property in the State' is correspondingly stronger.
Art. 78 VersVG	Operates at SILIB level	Same as Structure A: Art. 78 VersVG protects the SILIB's interest in the VCC sub-fund. All policy assets transfer to beneficiaries on insolvency. The additional VCC layer does not diminish this protection.
Sharia Bypass	SILIB beneficiary designation	Same mechanism as Structure A: SILIB beneficiary designation governs the transfer of all policy assets, including the VCC sub-fund interest, outside UAE succession proceedings.

What Foreign Companies CAN Hold Dubai Freehold Property

The DLD has approved specific categories of non-UAE-domiciled entities to hold freehold title in Dubai. The list is closed — a pure Mauritius VCC holding UAE real estate directly would be refused registration. Approved categories are:

Entity Type	DLD Approval Basis	Notes
UAE Mainland LLC	Fed. Decree-Law No. 32/2021 (100% foreign ownership)	Most straightforward. Standard DLD process. No MoU required — LLC is a UAE entity.
JAFZA Offshore Company	DLD-JAFZA MoU (2011)	Established route. Widely used for Dubai freehold in offshore holding structures.
RAK ICC Offshore Company	DLD-RAK ICC MoU (July 2019)	Added to approved list in 2019. More recently established but now well-recognised.
DIFC / DMCC Free Zone Companies	Specific DLD MoU per free zone	Applicable free zone entities with a specific MoU in place can hold Dubai freehold. Confirm current MoU status with DLD before structuring.
Mauritius VCC / GBL Company directly	NOT APPROVED	DLD will not register title to a foreign company without an approved MoU. A Mauritius VCC holding Dubai property directly is not registrable.
Pure Cayman / BVI Offshore Company	NOT APPROVED (generally)	No general DLD MoU for Cayman or BVI companies. Title registration to such entities is refused absent a specific approved route.

DLD Registration Requirements — Structure B

For Structure B, the DLD registration target is the JAFZA or RAK ICC offshore entity. The registration process requires: (i) the offshore entity to produce its certificate of incorporation and constitutional documents to DLD; (ii) confirmation that the property is in a designated freehold zone; and (iii) the relevant DLD MoU approval for the offshore entity type. The Mauritius VCC sub-fund and the SILIB do not appear in the DLD records — only the offshore entity holding the title deed is DLD-registered.

2a.4 Summary Verdict — Structure A vs Structure B

Criterion	Structure A (SILIB → LLC → Property)	Structure B (SILIB → VCC → JAFZA/RAK ICC → Property)
Art. 12(3) compliance	Plausible — SILIB insures LLC shares, not UAE property directly. Art. 12(3) argument: equity interest ≠ property insurance. Risk: untested.	Stronger — SILIB insures Mauritius VCC interest. Two foreign intermediate layers between SILIB and UAE property. Better argument that SILIB is not covering UAE property.
DLD registration	Standard — LLC is UAE entity. Well-established DLD process. No MoU required.	JAFZA MoU (2011) or RAK ICC MoU (2019). Both are recognised routes. Slightly more setup.
Art. 78 VersVG protection	Strong — operates at SILIB level over LLC shares. No UAE enforcement route reaches SILIB assets.	Strong — same mechanism. VCC sub-fund interest equally protected by Art. 78 VersVG at SILIB level.
LLC / offshore entity: UAE court jurisdiction	Full UAE jurisdiction over LLC. Creditors can sue the LLC directly. LLC assets (property) directly reachable by UAE courts if a claim against the LLC.	JAFZA / RAK ICC entity is an offshore entity. Less direct UAE court jurisdiction. However, if it holds Dubai property, UAE courts can still reach that property in proceedings against the offshore entity.
Sharia bypass	Yes — SILIB beneficiary designation governs. DIFC will governs direct UAE assets (outside SILIB).	Yes — same SILIB beneficiary mechanism. Additional VCC layer adds no risk to succession bypass.
Complexity / cost	Lower — two entities (SILIB + LLC). Standard UAE company formation.	Higher — three entities (SILIB + VCC sub-fund + offshore co). Mauritius VCC formation + FSC GBL licence + offshore entity registration.
Recommended for	Standard case where Art. 12(3) analysis is acceptable at the LLC equity level and operational simplicity is valued.	Higher-value assets where the stronger Art. 12(3) argument justifies additional structuring cost and complexity.

Verdict: Both structures achieve the core objective of holding UAE freehold real estate within the SILIB creditor-protection and succession-planning framework. Structure A is recommended as the default — simpler, cheaper, and the Art. 12(3) equity-over-property argument is credible. Structure B is the preferred choice where the policyholder requires the strongest available Art. 12(3) position and is willing to accept the additional VCC formation and FSC GBL licensing costs. In both structures, the LLC / offshore entity remains a UAE-jurisdictional entity — the SILIB wrapper protects the policyholder's interest in that entity, but the entity itself is not shielded from claims directed at it as a contracting party.

PART III

Art. 78 VersVG — The Legal Trigger Under UAE Bankruptcy

The moment a UAE Bankruptcy Court opens insolvency proceedings against the policyholder, Art. 78 VersVG activates simultaneously. This is the foundational event from which all legal consequences flow — and it operates before the UAE trustee can take any step to claim the policy.

3.1 The Art. 78 VersVG Protection — Six Key Characteristics

› Automatic — ipso jure	Transfer requires no act by the policyholder, beneficiary, or insurer. Happens by statute the moment insolvency proceedings open — whether in Liechtenstein or in any foreign state.
› Explicitly extends to foreign proceedings	Gasser (2007): 'The protection also extends to bankruptcy proceedings in foreign states and ineffective enforcement proceedings abroad.' UAE bankruptcy proceedings are explicitly covered.
› Any court order against the policy is void	Art. 79 VersVG: 'any order or instructions of the policy holder or on his or her behalf, including a court order, is ineffective.' A UAE court order directing the insurer to surrender the policy is void under the lex contractus.
› Spouse and descendants qualify	Wife and children designated as beneficiaries are simultaneously protected as a class. All policy rights transfer to them as a group at the trigger moment.
› Revocable designation equally protected	Gasser (2007): 'It is irrelevant whether the designation is irrevocable or revocable.' No creditor can argue the policyholder could have changed the designation.
› Time-unlimited	The protection has no expiry date. It applies for the entire life of the policy from inception, requiring no periodic renewal.

3.2 Art. 79 VersVG — The Notification Procedure

Art. 79 VersVG requires beneficiaries to notify the insurer by submitting a court certification of the insolvency proceedings. This is an administrative step only — the legal transfer has already occurred. Until notification, the insurer may in good faith act on policyholder instructions, creating a narrow procedural vulnerability.

Critical action: The SILIB policy should include a pre-drafted Art. 79 VersVG notification package — ready for immediate delivery by the beneficiaries to the insurer upon any UAE court opening insolvency proceedings. Given the UAE's '5-day' and '3-day' enforcement timelines, speed of notification is critical.

PART IV

The Creditor Attack Routes — UAE-Specific Analysis

This Part analyses each creditor enforcement route specifically in the UAE context, applying the new Art. 222 framework and the 2023 Bankruptcy Law. The conclusion in each case is the same: the three-layer structure defeats every UAE enforcement route against the SILIB policy — while acknowledging that UAE-sited assets (bank accounts, real estate, company shares) are directly vulnerable.

4.1 Route 1 — UAE Bankruptcy Court: Debtor's Assets Claim

The UAE trustee WILL include the SILIB policy in the bankruptcy estate under Art. 1 Federal Decree-Law No. 51/2023: 'all movable and immovable properties owned by the debtor inside and outside the State.' This is the UAE's extraterritorial claim to the policy. It is the primary enforcement risk.

The Decisive Counter-Argument — Lex Contractus Determines What the Debtor Owned

The UAE bankruptcy trustee can only vest what the policyholder legally owned at the moment the proceedings opened. What the policyholder 'owned' in the SILIB policy is a contractual right — and the content of that right is determined by the governing law of the contract: Liechtenstein VersVG.

Under Liechtenstein law, from the moment bankruptcy proceedings opened, all policy rights transferred by statute to the beneficiaries. The UAE trustee is attempting to vest rights that no longer exist in the debtor's estate under the lex contractus. You cannot vest a right that has already transferred away by operation of law.

The UAE Art. 1 definition of Debtor's Assets contains its own carve-out: 'but not including the debtor's assets that may not be attached in accordance with the provisions of the legislation in force in the State.' The UAE courts would need to determine whether Liechtenstein governing law is 'legislation in force' that makes the SILIB policy non-attachable — a conflict of laws question no UAE court has yet decided for a Liechtenstein-governed SILIB.

UAE PIL — Articles 19-28 UAE Civil Code

The UAE Civil Code (Federal Law No. 5 of 1985, as amended) Articles 10-28 contain the UAE's conflict of laws framework. Article 23 provides that where no specific UAE PIL rule governs, 'the principles of private international law shall apply.' The international principle of party autonomy — recognised in Mauritius, Liechtenstein, and generally in civil law systems — would support the application of Liechtenstein VersVG as the lex contractus. However, UAE courts frequently apply UAE law where there is a UAE nexus, making this conflict of laws argument uncertain.

Honest Assessment

> This is the strongest and most uncertain risk. No UAE court has decided whether Art. 78 VersVG overrides the UAE bankruptcy trustee's extraterritorial asset claim. The legal argument for Liechtenstein lex contractus is sound — but untested in UAE courts. Multiple further enforcement barriers apply regardless of this initial question.

4.2 Route 2 — Art. 222 Enforcement of a Foreign Judgment Against the Policyholder

A creditor obtains a judgment in a foreign court (UK, EU, India, etc.) and applies under Art. 222 to enforce it in the UAE. Under the new framework, this can move very quickly — the execution judge issues the order within 5 days and directly instructs the Central Bank to freeze UAE bank accounts and the Land Department to block real estate transfers.

What Art. 222 Can and Cannot Reach

Asset Category	Art. 222 Can Reach?	Analysis
UAE bank accounts	YES — directly	Execution judge instructs UAE Central Bank electronically within days of recognition order
UAE real estate	YES — directly	Execution judge instructs Dubai Land Department to block title and order sale
UAE company shares	YES — directly	Execution judge instructs DED / relevant registry to attach shares
SILIB policy (Mauritius insurer)	NO — directly	Policy is an asset of a Mauritius company governed by Liechtenstein law — UAE court order has no direct legal force on the Mauritius insurer
Third-country custodian assets	NO — directly	Custodian holds assets in insurer's name, not policyholder's — UAE order does not reach the custodian's home jurisdiction
SILIB policy — via exequatur in Mauritius	UNCERTAIN	UAE trustee must separately apply to Mauritius Supreme Court for recognition of UAE judgment — faces public policy and lex contractus objections — see Part IV.4

⚠ UAE-sited assets (bank accounts, real estate, company shares) are directly and immediately vulnerable under Art. 222. Art. 222 does NOT protect these assets. The SILIB structure protects ONLY the policy itself and the underlying investments held by the third-country custodian. UAE-resident clients must understand clearly: UAE-based assets are NOT inside the SILIB shield.

4.3 Route 3 — UAE Court Order Compelling Policyholder to Hand Over the Policy

A UAE court may order the policyholder to physically deliver the policy document or to execute instructions directing the insurer to surrender policy assets. This targets the policyholder personally — avoiding the need to enforce against the foreign insurer directly.

› Legal impossibility	After Art. 78 VersVG triggers, the policyholder holds no policy rights. A court cannot order delivery of something the debtor does not own. Impossibility is a complete defence in UAE law — Article 159 UAE Civil Code: 'Obligation is extinguished if performance becomes impossible.'
› Art. 79 VersVG — any instruction void	Even if the court ordered the policyholder to sign surrender instructions, Art. 79 VersVG renders any such instruction — 'including a court order' — void under the lex contractus. The Mauritius insurer is legally prohibited from acting on it.
› The policy document is not the asset	The SILIB policy document is evidence of a contractual relationship — not itself the asset. The investments are held by the third-country custodian in the insurer's name. Physical possession of the document gives the UAE creditor no right to those assets.
› UAE court has no jurisdiction over the insurer	The UAE court order is in personam against the UAE policyholder. The Mauritius insurer is a foreign company not subject to UAE court jurisdiction. Even if the policyholder wanted to comply, the insurer is legally required to refuse.

4.4 Route 4 — Mauritius Exequatur of the UAE Judgment

To reach the SILIB policy directly, the UAE trustee must apply to the Mauritius Supreme Court for recognition and enforcement of the UAE judgment — known as exequatur under Article 546 of the Mauritius Code de Procédure Civile.

Why Exequatur Will Be Refused — Two Critical Failure Points

Failure Point 1 — Contrary to Mauritius public policy. Mauritius public policy includes respect for validly chosen governing laws of commercial contracts (Code Civil Mauricien Art. 1134). A UAE judgment directing the insurer to act contrary to the Liechtenstein lex contractus conflicts with this fundamental principle. The Mauritius Supreme Court confirmed in Société Epson France v Société Intervenant Technologie [2012 SCJ 114] that it will not grant exequatur where enforcement would offend international public policy.

Failure Point 2 — Conflicts with vested third-party rights. The beneficiaries (spouse and children) have vested legal rights under Liechtenstein VersVG — rights that transferred to them at the moment the UAE proceedings opened. A UAE judgment requiring the insurer to pay the UAE trustee directly conflicts with those vested rights. Mauritius courts will not grant exequatur that overrides the vested rights of identifiable third parties.

The Mauritius Insurance Act §81(5) — The Trustee's Statutory Argument

Section 81(5) of the Mauritius Insurance Act 2005 provides that a bankruptcy trustee 'entitled to a part of the realisable value' of an insurance policy may direct the insurer to pay. However:

(a) 'Entitlement' is determined by the lex contractus (Liechtenstein law). Under Art. 78 VersVG, the UAE trustee is entitled to nothing — the rights vested in the beneficiaries at the opening of proceedings. (b) The trustee must be 'in possession of the policy' — after Art. 78 VersVG, the policy belongs to the beneficiaries. (c) The non-Mauritian policy classification (risk outside Mauritius) reduces the scope of §81(5) for foreign-governed policies.

4.5 Route 5 — DIFC/ADGM Court Enforcement

A sophisticated creditor might use the DIFC or ADGM courts as a 'gateway' to reach offshore assets — particularly if the creditor holds a common law judgment from the UK, US or Singapore.

However, for the SILIB policy specifically, DIFC/ADGM enforcement faces the same structural barriers as direct UAE enforcement: the SILIB insurer is in Mauritius, the custodian is in a third country, and the governing law is Liechtenstein. A DIFC enforcement order against the UAE policyholder creates no obligation on the Mauritius insurer or the third-country custodian. Each requires separate recognition proceedings in their home jurisdiction — where Art. 78 VersVG and the lex contractus arguments apply.

DIFC-to-mainland Dubai conversion — while efficient for mainland UAE assets (bank accounts, real estate), the DIFC conversion protocol does not extend to assets in Mauritius or a third-country custodian. The 'gateway' is only as wide as Dubai mainland execution powers extend — which stop at the UAE border.

4.6 Route 6 — Third-Country Custodian Enforcement

If the custodian is in the UK, a creditor could attempt a Third Party Debt Order (TPDO) under CPR Part 72 against the custodian bank. The same barriers apply as described in the SA opinion: (a) the custodian holds assets in the insurer's name, not the policyholder's — no debt is 'due or accruing due' to the policyholder from the custodian; (b) after Art. 78 VersVG, the insurer's obligations run to the beneficiaries; (c) Servis-Terminal LLC v Drelle [2025] EWCA Civ 62 — an unrecognised foreign judgment cannot form the basis for UK enforcement proceedings; (d) a UAE bankruptcy order has no automatic effect in the UK — separate UK recognition required.

PART V

Why the Mauritius Insurer Cannot Comply with a UAE Court Order

This is the central structural protection. Even if a UAE court issues an order against the policyholder, and even if the UAE trustee presents that order to the Mauritius SILIB insurer, the insurer is legally UNABLE to comply. This is legal obligation — not commercial discretion.

5.1 The Three Grounds for Non-Compliance

› Art. 79 VersVG — Any court order is void	Under the governing law of the contract, any instruction from the policyholder or on their behalf — 'including a court order' — is legally ineffective after Art. 78 VersVG triggers. The insurer's legal counterparty is now the beneficiary, not the policyholder or any person acting in the policyholder's place.
› Breach of contract — liability to beneficiaries	If the insurer complied with a UAE court order and surrendered the policy to the trustee, it would be paying to the wrong party under the governing law of the contract. The beneficiaries would have an immediate, direct contract claim against the insurer for the full policy value — a liability potentially exceeding the entire policy fund.
› FSC regulatory obligation	The SILIB Rules 2022 require the insurer to manage the policy in strict accordance with its terms, including the governing law clause. Acting contrary to the governing law of the contract would breach the insurer's FSC licence obligations and risk regulatory sanction by the Mauritius FSC — including loss of licence.

5.2 The UAE Court Order Has No Extraterritorial Force

A UAE court order operates within the UAE. Against a Mauritius-incorporated, FSC-licensed insurance company, it has no direct legal force. The insurer is not subject to UAE court jurisdiction. To enforce against the insurer, the UAE trustee must obtain a separate Mauritius court order — which faces the exequatur obstacles described in Part IV.4. The third-country custodian is subject only to the law of its own jurisdiction — entirely outside UAE court reach.

5.3 The Insurer's Response to a UAE Court Order

We acknowledge receipt of your communication and the attached UAE court order. We advise as follows:

1. This SILIB policy is governed by the laws of the Principality of Liechtenstein pursuant to the insurance contract.

2. Upon the opening of insolvency proceedings against the policyholder, all rights and duties under the policy transferred by operation of law to the designated beneficiaries pursuant to Art. 78 of the Liechtenstein Versicherungsvertragsgesetz (VersVG).

3. Under Art. 79 VersVG, we are legally obligated to take instructions from the beneficiaries only. Your communication, as an instruction on behalf of the policyholder, is without legal effect under the governing law of this contract.

4. The UAE court order has no legal effect on our obligations under this policy. It has not been recognised by the Mauritius courts. Even if so recognised, it conflicts with the vested rights of the beneficiaries under Liechtenstein law and with our FSC regulatory obligations.

5. Any claim against this company must be brought before the Mauritius Supreme Court. We will rely on the Mauritius Insurance Act 2005, the SILIB Rules 2022, and Liechtenstein VersVG in any such proceedings.

PART VI

The Three-Lock Architecture — Why All Three Must Be Defeated Simultaneously

The fundamental structural advantage of the Mauritius SILIB + Liechtenstein law + third-country custodian combination is that no single enforcement route can reach the policy assets. Three independent legal barriers must be defeated simultaneously — in three different jurisdictions, under three different legal systems.

Lock 1 — Liechtenstein Contract Law	Art. 78/79 VersVG: automatic transfer of policy rights to beneficiaries · any court order against the policy is void under lex contractus · Mauritius insurer legally cannot comply without breaching the contract and incurring direct liability to the beneficiaries · 250+ years of legal stability · no equivalent in any other jurisdiction
Lock 2 — Mauritius FSC Regulation	Mauritius Insurance Act 2005 s.111: 2-year incontestability period · SILIB Rules 2022: mandatory per-policyholder custodian segregation · §81(5) entitlement determined by lex contractus (LI law) — trustee entitled to nothing · exequatur refused on Mauritius public policy and vested beneficiary rights grounds
Lock 3 — Third-Country Custodian Independence	Assets held in insurer's name — not policyholder's · custodian has no contractual relationship with UAE debtor · UAE court order has no direct force in custodian's home jurisdiction · separate recognition proceedings required in a third jurisdiction · Art. 78 VersVG arguments apply in each jurisdiction

> The creditor must win in Liechtenstein (lex contractus), Mauritius (insurer's home), AND the third-country custodian jurisdiction — simultaneously, in three separate courts, under three independent legal systems. Failing at any single lock defeats the entire enforcement attempt. No competitor structure delivers this multi-jurisdictional redundancy.

PART VII

UAE Tax Analysis — The Art. 78 VersVG Transfer

The UAE has no personal income tax, no capital gains tax, no gift tax, and no inheritance tax at the federal level. UAE Corporate Tax (Federal Decree-Law No. 47 of 2022) applies only to business income and does not apply to personal insurance policies or death benefits. This makes the UAE the cleanest jurisdiction for the Art. 78 VersVG transfer analysis.

Tax Question	Analysis	Outcome
Art. 78 VersVG living transfer — UAE gift tax	UAE has no gift tax at the federal level. The Art. 78 VersVG transfer of policy rights to spouse and children is not a taxable event in the UAE regardless of characterisation.	✓ No UAE gift tax
Art. 78 VersVG living transfer — UAE income tax	UAE has no personal income tax. The policyholder does not realise income on the Art. 78 VersVG transfer — there is no UAE income tax on the transfer or on the underlying investment gains inside the SILIB.	✓ No UAE income tax
SILIB death benefit to spouse/children	Death benefit paid directly to named beneficiaries by insurance contract. UAE has no inheritance tax. No Sharia inheritance regime applies (SILIB is a foreign contract governed by Liechtenstein law — it passes outside the UAE succession framework by contract).	✓ No UAE tax on death benefit
UAE Corporate Tax inside SILIB	Investment returns inside the SILIB are generated by a Mauritius FSC-licensed insurer under Liechtenstein VersVG. UAE Corporate Tax applies only to UAE-resident entities. The Mauritius insurer is not UAE-resident. UAE Corporate Tax does not apply inside the policy.	✓ 0% UAE Corporate Tax inside SILIB
Sharia inheritance override	Sharia default succession rules in the UAE apply to assets in the UAE deceased estate. SILIB death benefit passes outside the estate directly to named beneficiaries by insurance contract. Sharia default rules cannot override the beneficiary designation in the SILIB contract.	✓ Sharia override not possible
UAE VAT on SILIB	Financial services, including life insurance, are generally exempt from UAE VAT under Federal Decree-Law No. 8 of 2017. SILIB premiums paid to a foreign (Mauritius) insurer are outside scope of UAE VAT entirely.	✓ No UAE VAT
0% internal tax on SILIB growth	Investment returns inside the SILIB policy accumulate at 0% Mauritius tax (under SILIB Rules 2022) and 0% UAE tax. Full gross roll-up until a policy event.	✓ 0% internal tax — full gross roll-up

Tax Question	Analysis	Outcome
CRS reporting	The UAE is a CRS participant. The SILIB insurer will report the UAE policyholder's interest to the Mauritius Revenue Authority (MRA), which exchanges with the UAE Federal Tax Authority (FTA). Full transparency — but no UAE tax consequence.	— Disclosed to UAE FTA via CRS — no tax

PART VIII

Master Summary — The UAE Creditor Attack at Every Level

The table below summarises every creditor enforcement route against the UAE policyholder, the applicable legal barriers, and the outcome under each law.

Creditor Attack Route	Liechtenstein Law	UAE/Mauritius Law	Final Outcome
UAE bankruptcy trustee claims SILIB under Art. 1 Decree-Law 51/2023	Art. 78 VersVG — policy rights already with beneficiaries	Extraterritorial claim on all global assets. Lex contractus determines what debtor 'owned'. Art. 1 carve-out for 'non-attachable assets'.	⚠ Strong counter-argument. Conflict of laws untested in UAE courts. Multiple further barriers apply.
Art. 222 enforcement of foreign judgment — UAE assets	N/A	DIRECTLY EFFECTIVE. Bank accounts, real estate, company shares in UAE are immediately vulnerable. Execution judge issues freeze within days.	× UAE-sited assets are NOT protected by SILIB. Structuring UAE assets separately is essential.
UAE court order compelling policyholder to hand over policy	Art. 79 VersVG — any instruction including court order is void	Impossibility defence — policyholder holds no rights after Art. 78 VersVG trigger	✓ Fails — policyholder has nothing to deliver. Insurer legally cannot comply.
UAE court order sent to Mauritius insurer	Art. 79 VersVG — legally ineffective under lex contractus	No extraterritorial force. Insurer not subject to UAE court jurisdiction.	✓ Insurer cannot comply — breach of contract + FSC violation.
UAE trustee applies for Mauritius exequatur	Policy rights vest with beneficiaries — nothing to enforce	Exequatur refused: (1) contrary to Mauritius public policy; (2) conflicts with vested beneficiary rights.	✓ Exequatur refused. Liechtenstein lex contractus and vested rights defeat UAE judgment.
§81(5) Mauritius Insurance Act	Entitlement determined by lex contractus (LI law) — trustee entitled to nothing	Possession requirement not met. Non-Mauritian policy reduces scope.	✓ §81(5) does not assist — no entitlement under governing law.
DIFC/ADGM gateway enforcement	Art. 78 VersVG — policy outside reach	Conversion to Dubai mainland efficient for UAE assets. Does NOT extend to Mauritius insurer or third-country custodian.	✓ DIFC/ADGM reaches UAE assets only — SILIB policy unaffected.
Third-country custodian enforcement (e.g. UK TPDO)	Art. 78 VersVG — custodian obligations run to beneficiaries	Custodian holds assets in insurer's name. UAE order has no UK effect (Servis-Terminal v Drelle [2025]).	✓ Fails — wrong debtor; separate recognition required; Art. 78 defeats it.

Creditor Attack Route	Liechtenstein Law	UAE/Mauritius Law	Final Outcome
Art. 65 RSO — challenge Art. 78 transfer as gratuitous conveyance	Art. 78 transfer is NOT a voluntary conveyance — statutory operation of law. No 'donor'. No 'gift'.	N/A	✓ Cannot challenge the transfer itself. Only premium payments in year 1 attackable.
Art. 65 RSO — challenge premium payments in year 1	1-year window — applies to premiums paid within 1 year before insolvency	N/A	⚠ Real risk in year 1. Eliminated after year 1 from last premium payment.
UAE gift/inheritance tax on Art. 78 transfer	N/A	UAE has no gift or inheritance tax — zero tax on any Art. 78 VersVG transfer to family	✓ No UAE tax. Cleanest jurisdiction for this transfer.
UAE CGT/income tax on SILIB growth	N/A	UAE has no personal income tax or CGT — 0% on all SILIB investment returns and policy gains	✓ 0% UAE tax. No annual attribution. No disclosure to FTA except via CRS.
Sharia inheritance override	N/A	SILIB death benefit passes outside estate by contract — Sharia default rules inapplicable to foreign contract benefits	✓ Sharia override not possible. Beneficiary designation governs.

PART IX

Practical Recommendations for the UAE Policyholder

R1	Third-country custodian — not UAE or Mauritius	The custodian must be located in a third jurisdiction — ideally UK, Luxembourg, or Switzerland. A UAE custodian would be directly subject to UAE court jurisdiction and execution orders. A Mauritius custodian would face the same exequatur risk as the insurer. Third-country custodian adds a mandatory third legal barrier.
R2	Do NOT hold the entire estate inside SILIB	Art. 222 and the UAE Bankruptcy Law directly reach UAE-sited assets (bank accounts, real estate, company shares) regardless of the SILIB structure. The SILIB shields only the policy assets held by the foreign insurer/custodian. UAE-based assets require separate UAE-law asset protection planning (DIFC/ADGM trusts, UAE family arrangements, etc.).
R3	Express governing law clause citing UAE PIL basis	The SILIB policy must contain an express Liechtenstein governing law clause reciting the PIL basis: 'Governed by Liechtenstein VersVG, elected pursuant to the principle of party autonomy recognised under UAE Civil Code Articles 19-28 and general principles of private international law applicable in the UAE.'
R4	Art. 79 VersVG pre-notification package — UAE speed is critical	Given the UAE's 5-day (Art. 222) and 3-day (ex-parte freeze) enforcement timelines, the Art. 79 VersVG notification package must be prepared in advance and held by the beneficiaries' UAE lawyers for instant deployment. Speed of notification to the insurer is more critical in the UAE context than any other jurisdiction.

R5	Dual legal opinions — Mauritius + Liechtenstein	Obtain: (a) a Mauritius legal opinion confirming validity of Liechtenstein law election; (b) a Liechtenstein legal opinion confirming Art. 78 VersVG applies and that the UAE bankruptcy proceedings constitute 'bankruptcy of the policy holder' under Art. 78 VersVG.
R6	Standing insurer letter for UAE courts	The SILIB insurer should pre-issue a letter confirming: Liechtenstein VersVG governs the policy; Art. 78 VersVG designates the beneficiaries; the insurer cannot act on any instruction contrary to Art. 79 VersVG. This letter should be held by the UAE policyholder's lawyers for immediate presentation to any UAE court.
R7	Premium timing — 1-year Art. 65 RSO window	Ensure premiums are paid well in advance of any foreseeable financial difficulty. The Art. 65 RSO 1-year contestation window is the only genuine Liechtenstein law risk. After 1 year from the last premium payment, that risk is eliminated.
R8	Switch/shift rights only	The policyholder's investment rights must be limited to switching between pre-approved categories. Full direct dealing in individual securities would strengthen any UAE court 'sham/transparent wrapper' argument and should be avoided.
R9	UAE regulatory disclosure	Report the SILIB policy as a foreign asset in any UAE bankruptcy disclosure. Failure to disclose is a criminal offence under UAE Bankruptcy Law and creates creditor manipulation risk. Disclosure of the policy does not make it reachable — the structural barriers prevent enforcement.
R10	Separate UAE asset protection strategy	Consult UAE specialist counsel on DIFC Foundation, ADGM Trust, or UAE family arrangements to protect UAE-sited assets, which are directly vulnerable to Art. 222 enforcement regardless of the SILIB structure.

PART X

Disclaimer and Primary Sources

IMPORTANT DISCLAIMER

This legal opinion is prepared for educational and informational purposes only. It does not constitute legal advice and does not create an attorney-client relationship. The analysis represents a review of applicable law as of April 2026. Law changes frequently. Individual circumstances vary materially. Independent legal advice from qualified practitioners is mandatory in each relevant jurisdiction: UAE insolvency and civil procedure specialist; Mauritius insurance law specialist; Liechtenstein VersVG specialist; and specialist counsel in the custodian jurisdiction. Sanctions regimes are absolute and override any structural protection described in this opinion.

Primary Sources

UAE Federal Decree-Law No. 51/2023	Financial Restructuring and Bankruptcy Law (effective 1 May 2024) — Art. 1: Debtor's Assets definition (global, including 'assets that may not be attached')
UAE Cabinet Resolution No. 94/2024	Executive Regulations to the UAE Bankruptcy Law — AED 300K individual / AED 500K corporate minimum thresholds

Art. 222 Federal Decree-Law No. 42/2022	New UAE Civil Procedure Law — foreign judgment enforcement without bilateral treaty; 5-day execution judge timeline
Dubai Court of Cassation, Appeal No. 339/2024	Concurrent jurisdiction does not bar enforcement of foreign judgment under Art. 222 — only exclusive UAE jurisdiction is a bar
UAE Ministry of Justice Directive (Sept 2022)	English High Court judgments enforceable in UAE on principle of reciprocity — confirmed following Lenkor Energy Trading DMCC v Puri [2020] EWHC 75
Dubai Supreme Court, Appeal No. 156/2025	Foreign judgment ordering seizure of Dubai real estate refused enforcement — UAE courts have exclusive jurisdiction over Dubai immovable property
Cabinet Decision No. 75/2022	Petition Order system — 3-day ex-parte asset freeze; Execution+ digital programme
LI VersVG Art. 78 & 79	Liechtenstein Versicherungsvertragsgesetz — creditor protection and automatic ownership transfer
LI RSO Arts 65, 67, 74	Liechtenstein Rechtsschutzordnung — contestation framework (1-year and 5-year limits)
Gasser Partner (2007)	Johannes Gasser, 'Asset Protection through Liechtenstein Annuities and Life Insurance', Swiss Annuities and Life Insurance, Wiley, December 2007
Mauritius Insurance Act 2005	§2 non-Mauritian policy definition; §81(5) trustee rights over policy
SILIB Rules 2022	Insurance (SILIB) Rules (GN 237 of 2022, 3 September 2022) — custodian segregation
Code Civil Mauricien Art. 1134	Party autonomy — lawfully formed agreements binding as law between the parties
UAE Civil Code Arts 10-28	UAE private international law — conflict of laws provisions; Art. 23: general PIL principles apply in absence of specific rule
D'Arifat v Lesueur [1949 MR 191]	Mauritius exequatur conditions under Art. 546 Code de Procédure Civile
Société Epson France [2012 SCJ 114]	Mauritius Supreme Court will not grant exequatur contrary to international public policy
Servis-Terminal v Drelle [2025]	[2025] EWCA Civ 62 — unrecognised foreign judgment cannot form basis for UK enforcement
Federal Decree-Law No. 25/2025 (New Civil Code)	New UAE Civil Code effective 1 June 2026 — Articles 953-984: insurance contracts; Art. 954: void if contrary to policyholder/beneficiary interests

Full online analysis: silib-mauritius.mu/liechtenstein-protection.html | Why SILIB + Liechtenstein | Use Cases