The rise of Sharia-compliant estate planning in the GCC

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Contents

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Background to the report

The growing demand for Sharia-compliant estate planning across the Gulf Cooperation Council (GCC) nations was the focus of a recent roundtable conducted in Dubai by the Ocorian Private Client team, in collaboration with a select group of regionally based intermediaries. The discussions highlighted key trends, challenges, and opportunities shaping this sector, emphasising the convergence of Islamic jurisprudence with contemporary financial instruments, products and services.

From the complexities of reconciling Sharia principles with international wealth structures to the role of technology in enabling more tailored and transparent solutions, the findings from the roundtable offer valuable insights into how the region's wealth management landscape is adapting to meet the needs of a new generation of investors, especially those who are seeking Sharia compliant solutions.

As the economies of the GCC surge forward on the back of robust investments in energy, technology and infrastructure, a new age of prosperity is dawning on the region. Saudi Arabia and the United Arab Emirates are seeing geometric growth in private wealth, underpinned by ambitious national visions for economic diversification. This rapid wealth creation is not only reshaping financial landscapes but also bringing about a dramatic shift in the region's wealth management paradigm, putting a focus on Islamic principles within wealth management planning.

To policy makers and wealth managers, as well as high-net-worth-individuals (HNWIs) and family offices, the growing requirement and relevance of Sharia-compliant estate planning is a wake-up call. It reflects a growing trend where financial innovation must align with deep-rooted religious and cultural considerations in order to remain not only competitive but find appeal.

The shifting wealth landscape in the GCC

The GCC's wealth story is one of transformation. Vision 2030, launched on 25 April 2016 by Crown Prince Mohammed bin Salman in Saudi Arabia, laid down a strategic vision to develop Saudi Arabia as a global investment leader. This, as well as other similar strategic blueprints across the region, have propelled state-led investments into emerging sectors. Infrastructure, tourism, technology and renewable energy are contributing to unparalleled economic opportunities, attracting global capital and raising a new generation of entrepreneurs and investors.

Parallel to this economic progress is the growth in financial knowledge among the younger generations. The rise of social media, global market accessibility and web-based financial systems have levelled the playing field so much so that young investors and seasoned wealth guardians alike both feel comfortable exploring asset classes such as cryptocurrencies, foreign equities, private equity and multi-asset strategies. This new investment savvy generation presents opportunities, as well as challenges, particularly the requirement to comply with the principles of Sharia.

The centrality of Sharia compliance

The core of Islamic estate planning lies in maximising legal, ethical (Halal) distribution of wealth, consistent with the overall objective of Maslahah – public interest and well-being. For many wealthy families in the GCC, estate planning is not just about the transference of wealth, it's an expression of religious duty as well as a sense of moral obligation.

Sharia-compliant estate planning is nothing new, its roots go back deep into history. However, the scale and sophistication of today's financial instruments, products and services call for a renewed focus on how Islamic jurisprudence interacts with contemporary wealth structures. The challenge lies not with the quality of available professionals, as the region has a deep bench of Sharia-trained lawyers and financial planners, but instead in how to apply those solutions to meet the increasingly complex requirements of high-net-worthclients whilst still complying with the principles of Sharia.

The challenges in Sharia-compliant wealth management

One of the key hurdles is the absence of unified guidance on new financial instruments from internationally recognised Sharia scholars. Investment products such as structured financial instruments, and cryptocurrencies present complex jurisprudential concerns, particularly in relation to the potential presence of *Gharar* (excessive uncertainty), *Riba* (interest), or *Qimar* (speculation/gambling). These embedded elements often lack consensus among leading Sharia scholars and, if not properly addressed, may render such instruments non-compliant with the foundational principles of Islamic law.

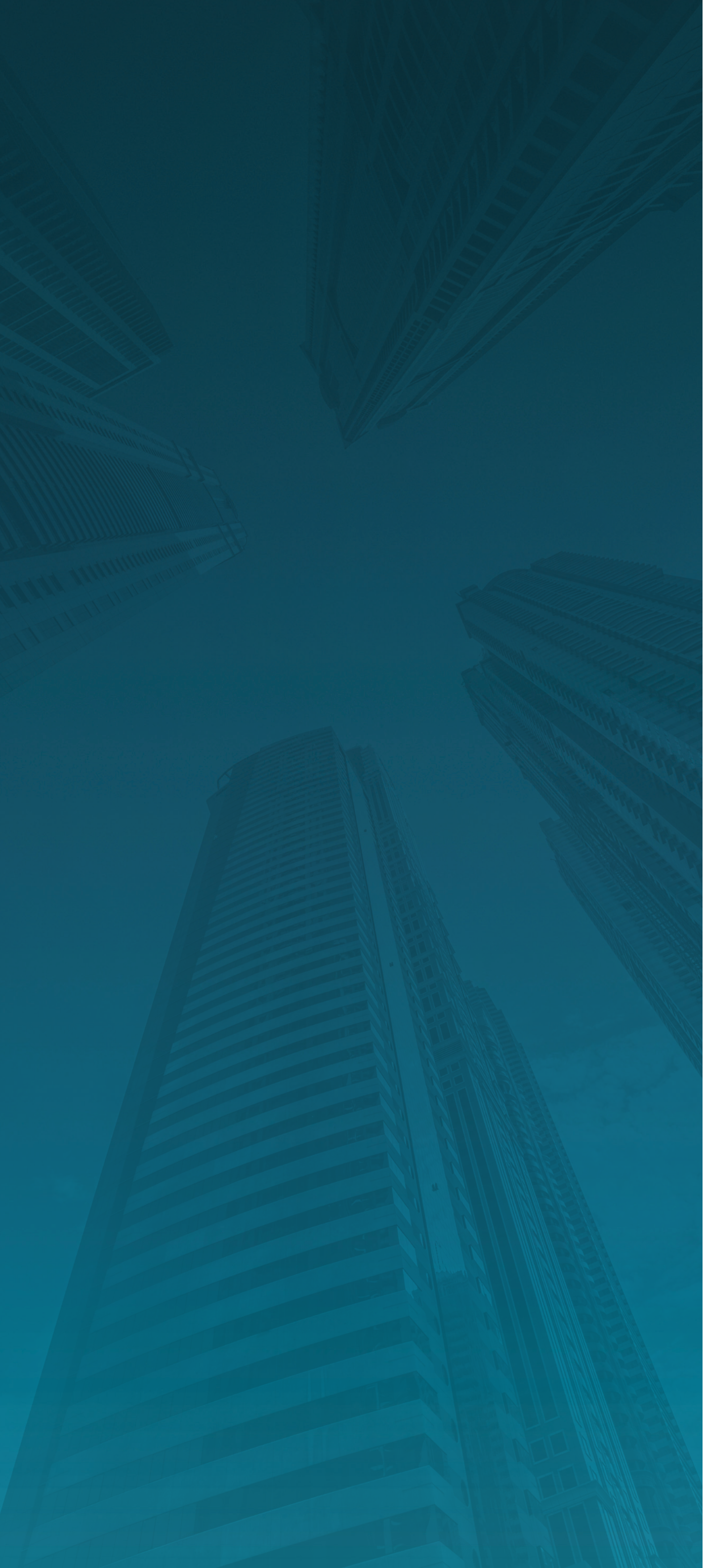
Furthermore, speculative or high-risk investments, particularly among financially inexperienced individuals, can be ethically questionable. Sharia prioritises the preservation of wealth not only for the individual and their heirs, but for society as a whole, provoking a more cautious approach.

A further pressing issue is the varying interpretation of Islamic inheritance laws across different jurisdictions, which can complicate cross-border estate planning. For GCC families with global reach, reconciling Sharia principles with international estate structures demands careful legal navigation.

The role of technology and financial awareness

Encouragingly, digital transformation is helping to address some of these complexities. Through AI-powered financial planning platforms and Islamic robo-advisors, technology is enabling more tailored, accessible, and Sharia-compliant estate planning solutions. These innovations are not just enhancing efficiency but also transparency, an additional core belief of Islamic finance.

Meanwhile, social media and financial education initiatives are playing a pivotal role in raising awareness of financial literacy among the younger generations. Across the region, the younger generations are increasingly showing keen interest in learning more about wealth preservation solutions that respect and align with their faith. This cultural awakening around financial literacy is a powerful force, fostering more informed decision-making and long-term planning solutions.



Convergence of values and innovation

The growing affluence of the GCC is inseparable from its cultural and religious foundations. As such, the demand for Sharia-compliant estate planning is of both economic and moral importance. It offers a compelling model for ethical wealth management, one appealing not only to the Muslim faith but more broadly to all seeking purpose-driven financial strategies.

Wealth managers and institutions that operate in the region may now adapt to this unique mix of tradition and innovation. Strategic collaboration among Sharia scholars, fintech programmers, legal advisors, and policy makers will be key to developing resilient, compliant, and scalable solutions for the future.

A regional leadership opportunity

The GCC is uniquely positioned to be at the forefront of global innovation in Sharia-compliant wealth management. With its combination of rising wealth, digital infrastructure and a deep-rooted commitment to Islamic values, the region is able to set standards for ethical estate planning that exceeds well beyond its geographical borders.

For HNWIs, the incorporation of Sharia compliance into estate strategies is more than a checkbox, it is a holistic approach that honours heritage, guards wealth and allows for intergenerational harmony. For institutions and regulators, it is an invitation to refine tools, frameworks and policies that support this integration.

As wealth continues to flourish in the GCC, the opportunity exists to forge a prosperous future that not only thrives but is founded upon principle, a legacy worthy of the values it strives to preserve.

Sophisticated end-to-end wealth structuring and administration solutions

Ocorian are experts in looking after complex, high-value structures for family offices, family businesses and ultra-high-net-worth individuals across the globe.

We cross borders to protect, preserve and administer our clients' financial affairs, offering sophisticated solutions regardless of where you or your assets are located or what stage of the wealth lifecycle you find yourself.

We remove administrative headaches, minimise friction, stay ahead of regulatory change and use tech-enabled solutions to ensure your wealth is safeguarded with accountability, so you can focus on what matters most.

Meet Ocorian's Middle East team

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Ocorian Private Client in numbers

15
Celebrating 15 years in the Middle East

11
Jurisdictions

50+
Years of experience

100+
Prominent family offices

200
Private Client team of almost 200

Landytech
Tech enabled solutions

Longevity
Clients have worked with us for over 3 generations

Contact
our team

Fund Services | Regulatory & Compliance |
Capital Markets | Corporate Services | Private Client

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