

DFSA Business Plan 2025-2026

# Advancing Regulatory Excellence and Innovation

Within the Dubai International Financial Centre

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# Statement by the Chairman

As we chart the course of the Dubai Financial Services Authority's (DFSA) new Business Plan for 2025-2026, I am proud to underscore that our commitment to Dubai and the United Arab Emirates' vision for innovation, sustainable economic growth and diversification, remains unwavering.

**We know that the financial landscape continues to rapidly evolve, presenting both opportunities and challenges, and recent macroeconomic trends have highlighted the importance of agility. Global economic shifts, inflationary pressures, and geopolitical uncertainties have all created a complex environment for businesses, investors, and the general public alike.**

In response, we are focused on building a more dynamic and resilient financial ecosystem by empowering the Dubai International Financial Centre (DIFC) through enhanced regulatory frameworks, strategic digital transformation, and a partnership approach, allowing us to foster collaboration and leverage diverse expertise and resources locally, regionally, and internationally.

In an era where global standards are continuously evolving, the DFSA stands ready to adapt and collaborate with international standard-setters and industry bodies. We remain committed to reinforcing our regulatory frameworks to ensure that they reflect the highest standards of integrity and compliance.

This commitment also extends to our active support of the Financial Action Task Force (FATF) review, reinforcing our dedication to combating financial crime, and ensuring a secure financial environment for our community.

We recognise the pivotal role that technology can play in empowering markets by enhancing efficiencies and strengthening security across the financial ecosystem. I am proud of the work that colleagues within the DFSA are

continuing to deliver in order to leverage advanced digital tools and data analytics.

These are allowing market participants to streamline operations, reduce costs, and make more informed decisions in real time. Additionally, the DFSA's technology is facilitating ever more robust cybersecurity measures that protect sensitive information and maintain trust in financial transactions.

As we embrace innovative solutions, we are not only optimising processes, but also fostering a more resilient, risk-based approach to supervision, ensuring that our regulatory activities are both proactive and responsive to emerging trends.

Since the announcement of the previous Business Plan 2023-2024, we have welcomed four new members to the Board of Directors of the DFSA: Robert Ophèle, Andrew Procter, Javan Herberg KC, and Sock Koong Chua; through their deep expertise, they continue to help shape the financial system and policy discourse in Dubai with an approach that combines flexibility, diversity, and innovation.

Together, with our colleagues across the DFSA, and the DIFC, we are shaping a dynamic and inclusive financial ecosystem that not only meets the needs of today, but also prepares us for the future.

I am excited about the journey ahead and the collaborative efforts we will undertake to realise this shared vision, and to drive sustainable progress in the DIFC, Dubai, and the United Arab Emirates.



Our commitment to Dubai and the United Arab Emirates' vision for innovation, sustainable economic growth and diversification, remains unwavering.

**Fadel Al Ali**  
Chairman





# Statement by the Chief Executive

As Chief Executive of the Dubai Financial Services Authority (DFSA), I am pleased to introduce our 2025-2026 Business Plan, which represents a significant step forward for the DFSA as the regulator of the Dubai International Financial Centre (DIFC).

**The DIFC continues to thrive as a global financial hub, now home to over 4,300 companies, including over 900 regulated entities, employing more than 40,000 people. To support this growth, we have streamlined our licensing processes and are introducing a secondary objective focused on the development of the financial services industry in the DIFC.**

The Business Plan aligns with Dubai's Economic Agenda D33, Digital Dubai, and the DIFC 2030 Strategy. And, in line with our vision, mission and statutory objectives, it sets out our approach to delivering the DFSA's priorities, and focuses on four key themes: Delivery, Engagement, Innovation and Sustainability. These themes underscore our commitment to balancing our core regulatory functions with the needs of a rapidly evolving global financial landscape, ensuring DIFC's continued success through enhanced regulatory frameworks, strategic digital transformation, and a partnership approach.

We will continue to implement global regulatory standards and align with best practices. We actively contribute to global discussions and work, through key international standard-setters, including the Basel Committee on Banking Supervision (BCBS), International Association of Insurance Supervisors (IAIS), Global Financial Innovation Network (GFIN), as well as International Organization of Securities Commissions (IOSCO) – on whose Board I sit.

In an era of rapid technological change, we will continue to update our regulatory framework in response to advances in innovation and technology, including providing regulatory clarity

on emerging areas such as artificial intelligence (AI) and advancing innovation through collaborative efforts, including enhancements to regulatory sandboxes.

As part of our broader strategy, we are committed to further strengthening the DIFC's position as an international centre for financial services by creating a dynamic environment for established players and start-ups alike.

We will do this by providing robust, risk-based regulation and supervision, proportionate enforcement, and a streamlined and transparent process for licensing or coming to market.

Internally, we continue to invest in our people and culture, introducing initiatives that attract and develop talent, particularly Emiratis. Through a robust digital transformation programme, we are embedding efficiencies that will enable us to deliver better regulatory outcomes while ensuring our organisation remains agile and future-ready.

This Business Plan sets the stage for the next chapter of the DFSA's history, combining regulatory excellence with a vision for the future. I extend my gratitude to the DFSA team for their dedication in giving effect to this plan, and to our Chairman and Board for their strategic guidance.

As we look ahead, I am confident that the DFSA, together with our partners and stakeholders, will continue to play a significant role in strengthening Dubai's status as a leading global financial hub, contributing to the prosperity and resilience of the United Arab Emirates and the broader region.



We are committed to further strengthening the DIFC's position as an international centre for financial services by providing robust, risk-based regulation and supervision, proportionate enforcement, and a streamlined and transparent process for licensing.

**Ian Johnston**

Chief Executive









# The DFSA

The DFSA is the independent regulator of financial services conducted in or from the DIFC, a purpose-built financial free zone in Dubai, United Arab Emirates (UAE).

**The DFSA regulates and supervises financial services firms and markets in the DIFC. These include asset managers, banks, custody and trust services, commodities futures traders, fund managers, insurers and reinsurers, traders of securities and fintech firms.**

We supervise exchanges and trading platforms for both conduct and prudential purposes, overseeing an international securities exchange (Nasdaq Dubai) and an international commodities derivatives exchange (Gulf Mercantile Exchange).

The DFSA is also responsible for supervising and enforcing Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) requirements applicable in the DIFC.

In addition to our enforcement role for financial services, the DFSA exercises delegated enforcement powers under the DIFC Companies Law. These include investigating the affairs of DIFC companies and partnerships where material breaches of DIFC Companies Law are suspected, and pursuing enforcement remedies available to the Registrar of Companies (RoC).

The DFSA runs an innovation programme which has steadily grown to be amongst the most active in the region, and our collaboration with the DIFC Authority's (DIFCA) Innovation Hub is helping to drive the DIFC's 'Future of Finance' strategy.





# DFSA Vision and Regulatory Approach



## Vision

To be an internationally respected regulator, leading the development of financial services through strong and fair regulation.



## Mission

To develop, administer, and enforce world-class regulation of financial services within the DIFC.



## Values

- To expect high standards of ethical conduct and integrity from the DFSA and its people.
- To demonstrate professionalism, independence, efficiency, leadership, and resolve in the discharge of our responsibilities.
- To ensure administrative fairness, consultative process, accessibility, impartiality, and accountability in the performance of our functions.

## Regulatory Approach

To be risk-based and to avoid unnecessary regulatory burden.





# DFSA Objectives and Principles

## Objectives

In performing its functions and exercising its powers, the DFSA shall pursue the following objectives:



To foster and maintain fairness, transparency, and efficiency in the financial services industry (namely, the financial services and related activities carried on) in the DIFC;



To foster and maintain the financial stability of the financial services industry in the DIFC, including the reduction of systemic risk;



To protect direct and indirect users and prospective users of financial services in the DIFC;



To foster and maintain the objectives of the DIFC under Dubai Law in relation to the exercise or performance of any powers or functions conferred upon the DFSA by Dubai Law or DIFC Law; and



To foster and maintain confidence in the financial services industry in the DIFC;



To prevent, detect, and restrain conduct that causes or may cause damage to the reputation of the DIFC or its financial services industry, through appropriate means, including the imposition of sanctions;



To promote public understanding of the regulation of the financial services industry in the DIFC;



To pursue any other objectives set by the Ruler under DIFC Law.



## Principles

In exercising its powers and performing its functions, the DFSA shall take into consideration the following guiding principles, being the desirability of:



Pursuing the objectives of the DIFC as set out under Dubai Law in so far as it is appropriate and proper for the DFSA to do so;



Co-operating with, and providing assistance to, regulatory authorities in the UAE and other jurisdictions;



Exercising its powers and performing its functions in a transparent manner; and



Using its resources in the most efficient way;



Complying with relevant generally accepted principles of good governance.



Fostering the DIFC's development as an internationally respected financial centre;



Minimising the adverse effects of the activities of the DFSA on competition in the financial services industry;



Ensuring the cost of regulation is proportionate to its benefit;



# Strategic Themes

The DFSA's 2025-2026 Business Plan sets out our approach to delivering our strategy in line with our mission, vision, and statutory objectives. The initiatives set out in this Business Plan reflect a continuation of four strategic themes – **Delivery** (executing our core functions with professionalism and efficiency), **Engagement** (thoughtful and active engagement with key stakeholders), **Innovation** (a creative and facilitative approach as a regulator and as an organisation) and **Sustainability** (positively shaping our environment and organisation for the long term).

These themes reflect the continued evolution of the financial services industry, including the increasing use of technology to meet business and customer needs, the rapid growth in the breadth and depth of business conducted in the DIFC, the acceleration of Dubai's digital ecosystem, and the Dubai Government's ambition to diversify and grow the economy.

In this context, our Business Plan focuses on advancing our risk-based regulatory approach, facilitating innovation, reinforcing alignment with international regulatory standards, participating actively in international regulatory standard-setting bodies, engaging with the regulated community, and collaborating closely with authorities in Dubai and the UAE.

Regarding our regulatory approach to innovation and fintech, we will continue to update our framework to reflect advancements in innovation

and technology, including providing further direction on our regulatory expectations around AI. In partnership with other regulators, we are exploring enhancements to the next generation of regulatory sandboxes and have recently become a member of IOSCO Board's Fintech Taskforce.

Our focus on digital transformation, people, culture, and communications will also play a critical role in enabling us to positively shape our organisation for the long term while delivering our core regulatory functions and activities.

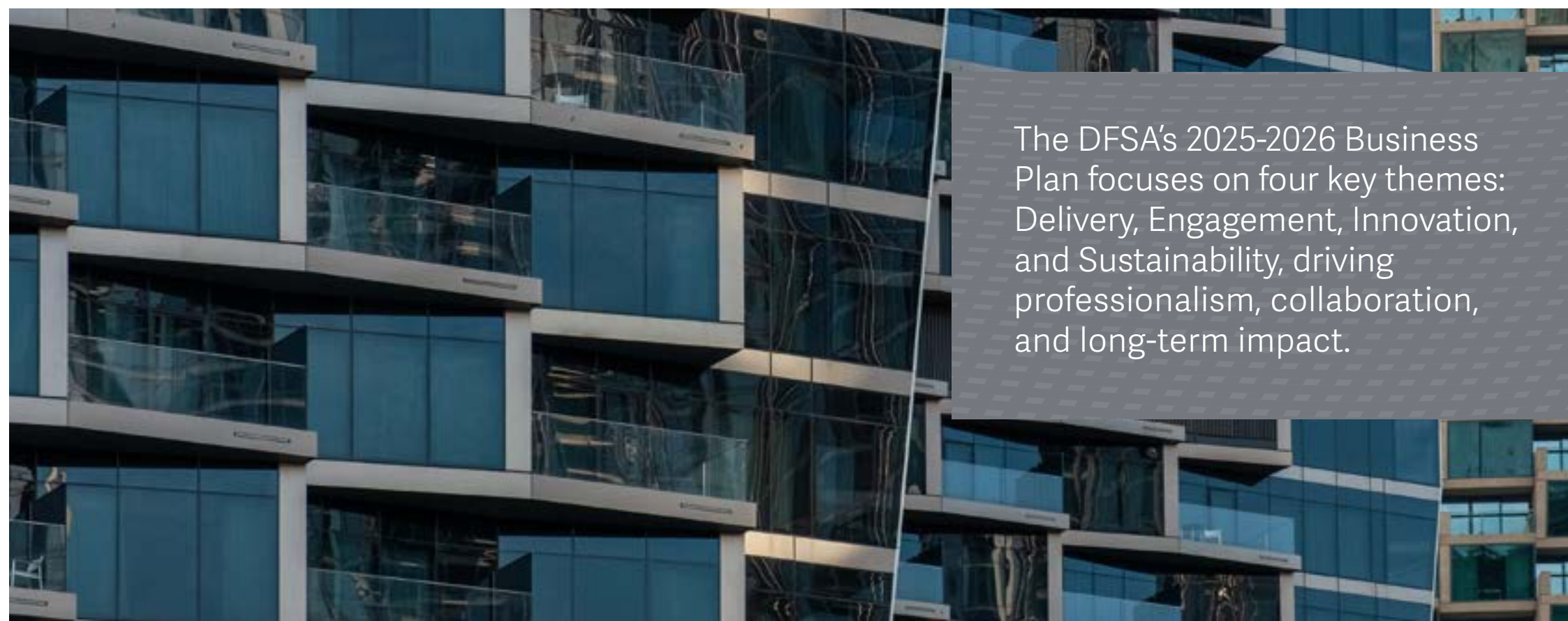
Our digital transformation programme aims to enhance our digital capabilities, simplify interactions, automate operations and processes, and leverage scalable platforms to support the DIFC's future growth. Throughout this transformation journey, we will embed robust security practices and proactively manage cyber risks.

Data is a critical asset for any regulator, and we will continue to improve our use of data to become a data-driven regulator,

utilising data and analytics for better-informed decision-making and regulatory outcomes.

We remain committed to investing in developing our people. As part of a long-term initiative on organisational culture, we will meet the future needs of the organisation and enhance our capabilities by enhancing our recruitment process, developing a new capability framework focused on learning, leadership development, and performance management, and introducing further initiatives to attract UAE national talent.

Our key priorities for corporate communications include increasing the visibility of the DFSA and our values, engaging with our stakeholders through a wider variety of channels, and developing targeted initiatives to highlight our areas of regulatory focus such as innovation, sustainable finance, and cybersecurity. We will also work closely with our partners to promote awareness of the DIFC.



The DFSA's 2025-2026 Business Plan focuses on four key themes: Delivery, Engagement, Innovation, and Sustainability, driving professionalism, collaboration, and long-term impact.



# Strategic Focus Areas

The table below outlines our strategic focus areas for this Business Plan.  
A summary of key deliverables can be found on page 52.



## Delivery

Executing core functions with professionalism and efficiency

We aim to:

- Deliver regulatory oversight and effective enforcement.
- Review and update the regulatory and legal framework.
- Deliver organisational capabilities as the DIFC grows.
- Enable fair, transparent, and efficient markets.



## Engagement

Thoughtful and active engagement with key stakeholders

We aim to deepen our engagement with:

- Federal and local authorities.
- International standard-setting bodies.
- Regulatory counterparts.
- The regulated community.



## Innovation

A creative and facilitative approach as a regulator and organisation

In relation to the wider industry, we aim to:

- Facilitate innovation and the introduction of new and emerging technologies.
- Support the Innovation Testing Licence programme.

In relation to our internal digital capabilities, we aim to:

- Utilise technology for process enhancement and efficiency.
- Deliver digital transformation.
- Become a data-driven regulator.



## Sustainability

Positively shaping our environment and organisation for the long term

In relation to the wider industry, we aim to:

- Implement our 2025-2027 Sustainable Finance Roadmap.

As a sustainable organisation, we aim to:

- Increase organisational robustness and resilience.
- Promote the DFSA's values.
- Evolve our organisational culture.
- Enable talent development.

## Contributing to Deepening and Broadening the DIFC

The DFSA plays a crucial role in enhancing the DIFC's position as a global financial hub by maintaining a robust regulatory framework aligned with international standards and promoting financial and technology innovation. We are committed to working with Federal and local authorities to develop Dubai's financial sector.

A key component of D33<sup>1</sup>, Dubai's Economic Agenda, is the growth of the financial services sector. Through other initiatives such as Digital Dubai,

the Government is also committed to establish Dubai as a leading digital ecosystem.

Aligned with D33, the DIFC 2030 Strategy aims to drive the 'Future of Finance' by promoting cutting-edge technology, innovation, and partnerships. It also focuses on 'Deepening the Core' by growing traditional financial activities. The DIFC has launched initiatives such as the DIFC Funds Centre, DIFC Family Wealth Centre, DIFC Innovation Hub, and Dubai AI campus, to support this strategy.

## Our Business Plan includes a number of initiatives to support the development of the DIFC, including:



Amending the Regulatory Law with the introduction of a secondary objective in order to actively promote the development of the financial services sector in the DIFC;



Fostering innovation by reviewing existing frameworks where market practices or international standards may have evolved, such as in relation to crypto tokens;



Providing further direction on our regulatory expectations in areas such as AI;



Continuing to streamline and simplify our authorisation process to make it easier and quicker for firms to set up in the DIFC; and



Collaborating with our partners to promote the development of the DIFC.

The DFSA plays a crucial role in enhancing the DIFC's position as a global financial hub.

1. The overarching aim of the Dubai Government's Economic Agenda 2033 (D33) is for Dubai to become an economic hub based on a sustainable, diverse, and productive economy.



# Supervisory and Regulatory Priorities

Banking

Insurance

Wealth Management

Markets

Enforcement

Audit

Authorisation



# Banking

DIFC-based banking institutions experienced robust growth throughout the last two years, benefiting from the region's positive macroeconomic environment and favourable interest rates. This growth has been driven by existing banks in the DIFC, which continued to expand their products, services, and business lines. Most international banks in the DIFC remain focused on expanding their business operations in the Middle East and North Africa region, while regional banks are increasingly using the DIFC as a gateway for broader international business growth.

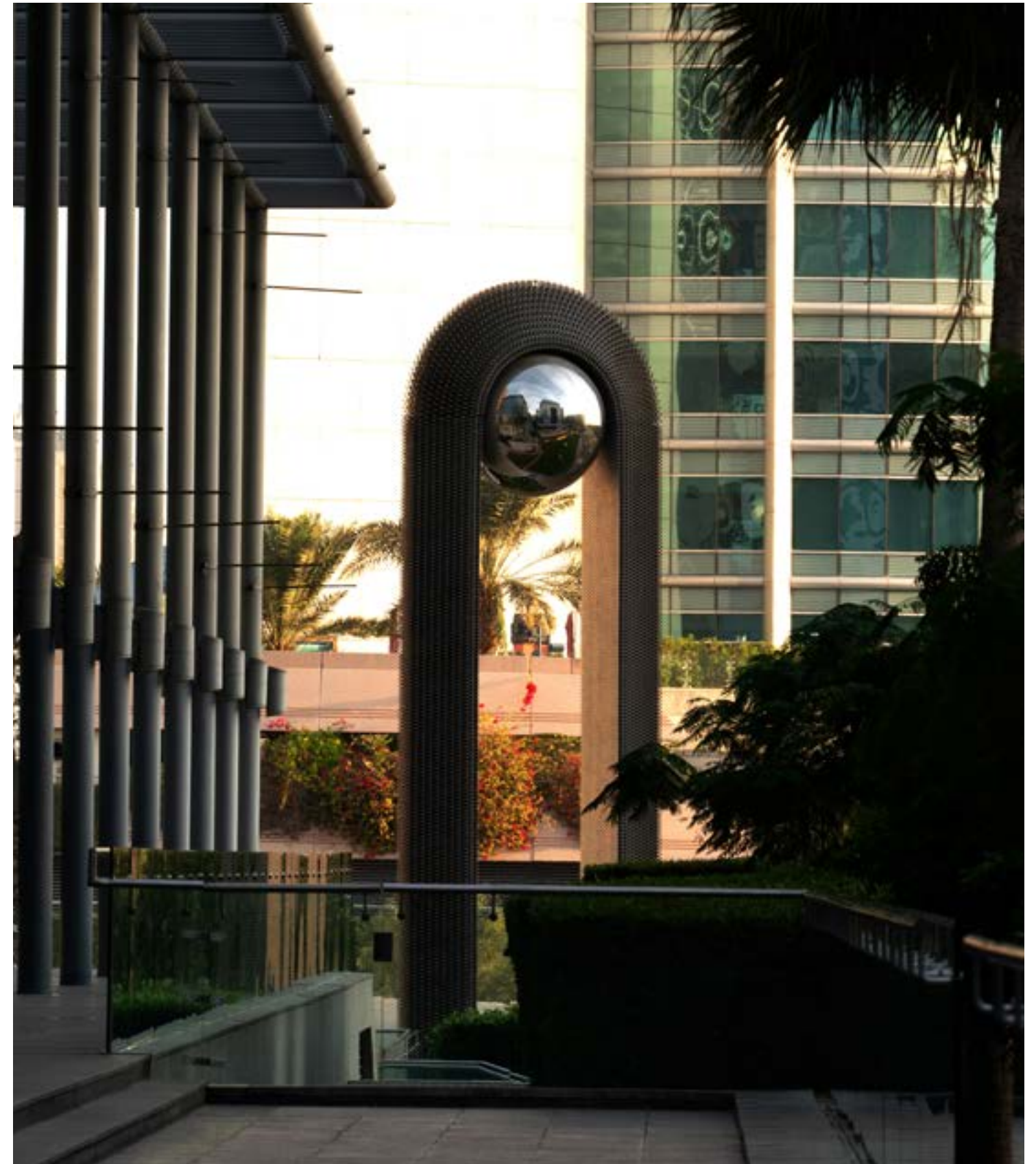
We continue to adopt a proactive, forward-looking, and risk-based approach to supervision, complemented by an effective early intervention regime to ensure the financial stability of the DIFC's financial services sector and the safety and soundness of Authorised Firms. We regularly review our supervisory strategy and resource allocation, in line with the dynamic and evolving risk landscape.

**Our 2025-2026 banking supervisory activities will focus on:**

- **Macroeconomic and Geopolitical Risks** – We will closely monitor the potential impact of evolving global monetary policies, particularly further rate reductions, and geopolitical uncertainties, on banks' business models, revenues, and profitability.
- **Financial Risks** – Our focus will remain on key financial risks such as credit and liquidity risks. We will closely monitor trends in asset quality and asset concentration, as

well as credit risk governance, credit appraisal and underwriting processes, and impairments and provisioning approaches. We will also examine liquidity and asset-liability management frameworks, including systems to monitor, control and mitigate liquidity mismatches, and ensure the availability of appropriate levels of high-quality liquid assets and robust contingent funding sources.

- **Operational Risks** – We will enhance scrutiny of operational resilience frameworks of banking institutions, including Information Technology (IT) security and cybersecurity. Exposures to third-party risks will continue to be reviewed, including examining the existence of governance and risk management frameworks in relation to third-parties. Deficiencies in risk data aggregation and reporting will be closely monitored, with remedial actions mandated where necessary.
- **Other Non-Financial Risks** – Financial crime prevention will remain a priority, including ensuring that appropriate systems and controls are in place. We will also increase our focus on climate-related financial risks and ensure the implementation of appropriate governance and risk management frameworks.
- **Crisis Management** – We will develop our crisis management capabilities, particularly in relation to high-impact banks, deepening our review of recovery plans and working with firms to establish resolution plans where required.







# Insurance

The DIFC insurance sector has experienced strong growth, including across both the underwritten and brokered business segments. The DIFC continues to attract new entrants to the reinsurance market, resulting in increased capacity and risk coverage in the Centre. The stable legal and regulatory regime, along with the availability of skilled talent, are contributing to a thriving insurance ecosystem.

As the insurance sector in the DIFC continues to develop, we continue to refine our risk-based approach to supervision. Over the 2023-2024 period, we adopted a “pooled” supervisory approach<sup>2</sup> for low-risk firms, primarily insurance intermediaries and managers. This allowed us to focus resources on key risk areas. Over 2025-2026, we will continue this approach and recalibrate as necessary.

We aim to use horizontal risk assessment tools, such as data-led desk-based supervision and thematic reviews to monitor low-risk firms. We will continue to engage with our stakeholders to understand market developments and support market evolution, including underwriting capacity and product innovation.

**Our 2025-2026 insurance supervisory activities include:**

- Ensuring firms have suitable risk management and compliance cultures, as well as robust frameworks in place in relation to underwriting processes, reserving, and operational resilience, so that firms remain prepared for stressed events.

- For insurance intermediaries – Enhancing transparency in reinsurance transactions and ensuring that premiums and claims payments are appropriately safeguarded.
- Closely examine systems and controls for all firms licensed to hold insurance monies.
- Reviewing the insurance sectors’ incorporation of environmental, social and governance (ESG) considerations into strategic decision-making, risk appetite set-up, and product development.
- Aiming to enhance the understanding of, and compliance with, regulatory expectations in relation to financial crime prevention systems and controls in the insurance industry, considering the nature of underlying business activities and risks.

The stable legal and regulatory regime, along with the availability of skilled talent, are contributing to a thriving insurance ecosystem.

2. Whereby firms are not individually relationship-managed.



The wealth management sector now represents around

# 78%

of all Authorised Firms in the DIFC.

## Wealth Management

The DIFC's wealth management sector has deepened and broadened from existing wealth management firms. This has been further bolstered by the influx of newly Authorised Firms in this sector over the last three years, including hedge fund managers. The wealth management sector now represents around 78% of all Authorised Firms in the DIFC.

We are responsible for assessing Conduct of Business risks across the DIFC, ensuring that firms provide an appropriate level of protection for clients and counterparties based on their knowledge, experience, and risk appetite.

**Our 2025-2026 wealth management supervisory activities include:**

- Reviewing governance, client onboarding processes, product suitability at point of sale, and client asset protection.
- Ensuring that communications and marketing materials are clear, fair, and not misleading.
- Further refining our risk-based supervision approach on the wealth management sector and continuing to use our pooled supervision model. The highest-risk firms will continue to be relationship-managed. We will enhance our use of data to further define focus areas for supervisory review and analyse firms based on business models, risk type, and related themes. To use resources efficiently and focus on key risks, we will increase our use of thematic reviews, sectoral reviews and multi-firm work in relation to the different types of wealth management business models in the DIFC.



# Markets

As the Listing Authority for the DIFC, we oversee the primary and secondary market activities with a proportionate, risk-based, and forward-looking approach. We will continue to inform and educate the markets using a range of tools and techniques. Our market and takeover rules, which are aligned to international standards, help to protect investors, and deliver market integrity by ensuring high standards of market practice and appropriate disclosure. In relation to ESG, this includes being informed by the International Sustainability Standards Board sustainability-related financial disclosure standards.

The DIFC is a global centre for the issuance, listing, and trading of sukuk, with issuers from different industry sectors and from jurisdictions all over the world, and with a broad range of investors. We will continue to work with industry participants by maintaining high standards for sukuk listings and facilitating the DIFC as a key global sukuk listing venue, a key aspect of our contribution to the Dubai economy.

The DFSA has no tolerance for abuse of DIFC financial markets, including instances of market manipulation, insider trading or any other activity that seeks to undermine the credibility of DIFC financial markets. We will continue to promote fair, transparent, and efficient markets through ongoing monitoring of trading activity, to help identify any irregularities and to take enforcement

action where needed. In addition, we will continue to raise awareness of, and promote, the Code of Market Conduct to industry-wide participants.

**In 2025-2026, we will continue:**

- Detecting and minimise abusive behaviour in the markets we regulate by overseeing exchange and trading platforms’ surveillance systems;
- Enhancing our own surveillance capabilities, using a variety of techniques and new technology, to supervise new types of financial products and the trading activity taking place both on and off exchanges and trading platforms;
- Continuing to oversee suspicious transactions that market participants are required to report; and
- Working with market participants to discuss current and emerging surveillance issues.



We will continue to foster the growth of DIFC capital markets in support of the Dubai and UAE economy.





# Enforcement

As a risk-based regulator, our enforcement priorities are aligned with our regulatory risk tolerance. We will prioritise investigations and enforcement actions in relation to activities for which the DFSA has low or no tolerance. These include:

- Financial crime, such as money laundering, terrorism financing, deliberate breaches of United Nations (UN) sanctions or any breaches of Federal Law;
- Misappropriation and mismanagement of client assets;
- Misleading or deceptive conduct with respect to investors, potential investors or other users or potential users of DFSA authorised financial services;
- Misleading or deceiving the DFSA or obstructing DFSA investigations;
- Breaches of relevant Federal Laws;
- Unauthorised financial services offered in or from the DIFC; and
- Instances of market abuse in trading, such as market manipulation and insider trading.

To encourage the integrity of DIFC financial markets and to maintain confidence in the DIFC’s financial services industry, we will apply commensurate financial penalties for significant violations of our regulations. This will enhance the deterrent effect provided by our enforcement actions and will enable us to demonstrate that we are firm but fair in our dealings with Authorised Firms. Where appropriate, we will ban or exclude Authorised Firms or Individuals from operating in the DIFC.

We use various sources of information to detect misconduct, including referrals from our supervisors, whistleblowing, complaints, and market intelligence.

# Audit

We will continue our inspection programme for auditors of regulated firms in the DIFC. Following our comprehensive review of the audit regime in 2024, we will monitor the implementation of our amended rules. We will also monitor global audit developments and consider their implications for audits carried out in the DIFC.

In 2025-2026, we will be focusing on assessing governance and culture in audit firms operating in the DIFC, as well as the Audit Principal’s workload and its impact on audit quality. These efforts will contribute to ongoing work with the relevant regulators and organisations in the UAE to enhance the overall audit quality assurance framework.





# Authorisation

All firms wishing to offer financial services in or from the DIFC must first obtain authorisation from the DFSA. The DFSA has seen a marked increase in licence applications in recent years across business segments. In response, we introduced in December 2023 a dedicated Authorisation function to assess applications more efficiently, including establishing new Authorised Firms and registering as a Designated Non-Financial Business or Profession (DNFBP).

Over the course of this business planning cycle, we commit to implementing continuous improvements in the authorisation process without compromising on the DFSA's standards or controls. Our key focus areas in 2025-2026 include:



### Digital Transformation

The progressive roll-out of digital solutions as part of the DFSA's digital transformation will improve client-facing tools and streamline our operational processes, enhancing stakeholder experience and simplifying interactions with the DFSA.



### Enhanced Communication

We will develop communication materials, such as videos, explanatory materials, and outreach sessions, to provide greater clarity on our expectations.



### Risk-Based Assessment

Refining our risk-based approach to assess applications while remaining within the DFSA's risk tolerance, the review of an application will be based on the nature and complexity of the application and the degree of risks posed.

We commit to implementing continuous improvements in the authorisation process without compromising on the DFSA's standards or controls.



# Cross-cutting Priorities

Innovation

Regulatory Framework

International Relations

Financial Crime

Sustainable Finance

Cyber Resilience

Digital Transformation



# Innovation

The evolving financial landscape requires continuous assessments and updates to our regulations and approach. We continue to differentiate ourselves through initiatives that support innovation and the fintech ecosystem. The DIFC is attractive to fintech firms due to the ease of doing business and regulatory frameworks that are aligned with international standards. With 1,000 technology firms and providers now based in the DIFC, the technology ecosystem continues to growing rapidly.

The Regulation of crypto tokens, also referred to as virtual assets or virtual currencies, remains a focus area. As part of our commitment when introducing our Crypto Token framework, we will review the regime to ensure alignment with international standards, market practices, and stakeholder feedback. Financial crime risk assessments (inspections) of financial institutions will also include firms offering digital assets.

Another key focus area is the wider use of AI, which can have benefits for consumers, financial services firms, and markets, but

poses specific challenges and risks. We intend to continue working closely with firms to better understand and mitigate these risks. We will provide further direction to the market regarding our regulatory expectations in this area. We have an interest in the safe and responsible adoption of AI in financial services. For example, we issued with other UAE regulatory authorities<sup>3</sup> the *Guidelines for Financial Institutions Adopting Enabling Technologies* in 2021<sup>4</sup>.

The Innovation Testing Licence programme, launched in 2017, enables firms to test innovative technologies and try new business models. To date, we have facilitated more than 180 fintech applicants through the programme. We are currently exploring, with other like-minded regulators, how to enhance the next generation of regulatory sandboxes that can be more effective and help maximise the benefits to the innovation ecosystem, whilst supporting the DIFC's 'Future of Finance' strategy and Dubai's digital ecosystem.

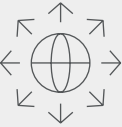
We continue to differentiate ourselves through initiatives that support innovation and the fintech ecosystem.

3. Central Bank of the UAE, Securities and Commodities Authority, Abu Dhabi Global Market's Financial Services Regulatory Authority.  
4. These Guidelines set out cross-sectoral principles and best practices for financial institutions when adopting enabling technologies, including AI, for the development or offering of innovative products and services.




# Regulatory Framework

We will continue to update and improve our regulatory framework in response to:



Developments in international standards;



Feedback from the regulated community and other stakeholders on our framework and where improvements and clarifications can be made;



Risks and opportunities arising from advances in innovation and technology; and



Strategic aims of Dubai and the DIFC.

During the course of this plan, we will undertake a holistic review and consultation on our Funds regime with a view to enhancing the existing regime, based on our supervisory observations, market feedback, and evolving international standards.

We previously consulted on changes to the prudential regime for lower-risk categories of firms and have amended our rules. We will review the prudential regime for more complex firms based on business and market risk and relevant international standards. It is expected that our proposals will relate to requirements applicable to firms providing credit and dealing in investments as principal. We will also continue to align our prudential requirements with the standards set by the BCBS.

Other projects include enhancements to our Islamic Finance regime; reviewing and consulting on changes to our Corporate Governance framework, namely in relation to compliance; updating the Regulatory Policy and Process (RPP) sourcebook; and reviewing of the Crypto Token framework.

We will consider developing an operational resilience framework for our firms. This will focus on reviewing our rules in relation to outsourcing and third-party risk management, business cessation and wind-down plans, operational risk management, technology risk, and other related areas.

To reflect the DFSA’s continued commitment to fostering the development of the financial services industry in the DIFC, while ensuring alignment with international standards and maintaining regulatory independence, we are updating our regulatory objectives with a new secondary objective to support the growth of the financial services industry in the DIFC.





# International Relations

Throughout 2025-2026, we aim to leverage the progress that we have made in areas such as regulatory cooperation, assisting the development of international standards, and raising awareness of the DIFC.

In contributing our thought leadership to the development of international standards and regulatory approaches, we will continue to be active members of, and contributors to, the key international regulatory standard-setting bodies<sup>5</sup>. In relation to shaping global regulatory thinking on innovation and fintech, we recently became a member of IOSCO Board’s Fintech Taskforce, and will actively support regulatory standards in this area.

Memoranda of Understanding (MoUs)<sup>6</sup> remain a cornerstone of how we collaborate and share information with other regulatory authorities and organisations. We will continue to expand our MoU network and leverage our existing MoUs for this purpose.

We will bring global conversations to Dubai by co-hosting the second joint climate finance conference with the Hong Kong Monetary Authority (HKMA), as well as hosting other international standard-setter meetings.



5. Including the BCBS – Basel Consultative Group, IOSCO, IAIS, International Accounting Standards Board, International Forum of Independent Audit Regulators, and regional bodies such as the Union of Arab Securities Authorities.  
6. These agreements establish frameworks for cooperation on regulatory practices, enforcement actions, and mutual support in addressing emerging opportunities.

# Financial Crime

In February 2024, the FATF removed the UAE from the list of countries with strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. This followed an extensive review by FATF of the UAE’s AML and CFT legal and regulatory framework.

During 2025-2026, we will continue to work closely with DIFCA, the Central Bank of the UAE, and other regulators and relevant government authorities, to prepare for the next round of FATF evaluations in 2026.

As part of our risk-based supervision approach, we will continue to exercise supervisory oversight as part of our Financial Crime Prevention programme. Measures that fall under this include specific financial crime risk assessments (inspections) of financial institutions, including firms offering digital assets and DNFBPs.

We will continue to review annual AML Returns and annual Information Returns for DNFBPs; monitor Targeted Financial Sanctions compliance and Suspicious Activity reporting; and continue to monitor unlicensed activities to maintain compliance with relevant federal and local rules and regulations.



# Sustainable Finance

Our work on sustainable finance has gained further traction since the 28th Conference of the Parties (COP28) which was hosted by the UAE in November 2023. Our 2025-2027 Sustainable Finance Roadmap is set out below.

During 2025-2026, we will focus on a number of areas including engagement and communication, including:

- Collaborating with international standard-setting bodies;

- Working with climate-focused bodies such as the Network for Greening the Financial System and the UN Development Programme's Sustainable Insurance Forum;
- Co-hosting a joint climate finance conference in 2025 with the HKMA;
- Participating in the UAE Sustainable Finance Working Group (UAE SFWG) alongside other UAE financial regulators and ministries to develop a joint UAE approach in areas such as

climate risk management, transition planning, sustainability disclosures and taxonomy;

- Support Dubai's climate initiatives through the Dubai Sustainable Finance Working Group (DSFWG); and
- Publishing a joint research report on ESG capital markets with the HKMA and Bloomberg in 2025.

We are committed to ensuring that our regulatory approach, set out in the DFSA Markets Briefs, is based on relevant international standards, and continues to support the leading ESG bond and sukuk offering on Nasdaq Dubai.

We intend to develop a credible framework for a Voluntary Carbon Market, in line with ongoing market developments and emerging international standards and best practices.

## Sustainable Finance Roadmap 2025-2027:





# Cyber Resilience

Our focus on technology and cybersecurity risk supervision aims to continue setting high standards for cyber resilience in the DIFC. These efforts can help regulated firms navigate an increasingly complex cybersecurity threat landscape.

We aim to build upon recent progress, with a focus on the following in 2025-2026:

- Proactive supervision and continuous monitoring, to capture and address consistently real-time insights into cyber threats and vulnerabilities. This will enable us to map the threat landscape and risk to critical services, encourage crisis preparedness, and reduce systemic risk.
- Continuing to engage with international standard-setting bodies in relation to harmonising regulations and disseminating best practices.
- Delivering outreach sessions, including industry workshops, on key topics. The sessions will cover findings from thematic reviews and provide practical guidance, ensuring firms learn about best practices in areas such as cybersecurity governance and resilience.

The DFSA's Cyber Threat Intelligence Platform (TIP) was established in 2020 to enable structured cyber threat intelligence to be shared within the DIFC community. We plan to expand the TIP internationally to contribute to international cyber cooperation and resilience.



# Digital Transformation

Our multi-year digital transformation programme aims to deliver best-in-class technology platforms and digital services while embedding robust security practices and proactively manage cyber risks.

Key focus areas for the digital transformation programme include:

- Enhancing the digital experience by simplifying interactions with the DFSA for regulated and applicant firms. For example, we will continue to build on recently introduced features<sup>7</sup> to improve our authorisation process.
- Enhancing our digital core through streamlining and automating processes to improve services to regulated firms. A key element of this will be deploying AI-based solutions to reduce manual processes and improve efficiency. For example, we plan to utilise an automated solution to perform an initial assessment of an Authorisation application to speed up the process.
- Our focus on connected intelligence aims to deliver integrated technology and data operations by harnessing new platforms. The key benefits include the ability to scale our digital operations whilst ensuring security and resilience. In practical terms, building robust platforms can enable our teams to better analyse data and enhance regulatory insights and risk assessments.

Data is a key asset for any regulator, and

we will continue to focus on improving our use of data and becoming a data-driven regulator, utilising data and analytics to better inform decision-making and regulatory outcomes. In this regard, we will continue to build the relevant technology capabilities and update related frameworks and policies.

In cybersecurity, we reached a significant milestone in 2024 by obtaining the International Organization for Standardization (ISO) certification on Information Security Management Systems<sup>8</sup>, aligning us with Dubai Electronic Security Center's requirements<sup>9</sup>. We will continue to update our security infrastructure and policies to maintain these internationally recognised benchmarks.



7. These features included an updated Authorisation portal for Representative Offices with a single online communication channel with a personalised dashboard, an application status tracker and real-time document sharing capabilities.

8. ISO 27001:2022 certification.

9. Dubai Electronic Security Center is part of the Dubai Government and one of its key objectives is to "protect Government information, telecommunication networks, and information systems in Dubai".



# Summary

Key 2025-2026 Business  
Plan Deliverables



# Summary of Key 2025-2026 Business Plan Deliverables

Below, we set out the key focus areas and deliverables for the DFSA during this plan period:

## Supervisory activities:

- Developing our crisis management capabilities for banking institutions.
- Assessing risk management practices and the compliance culture for insurance firms.
- Examining more closely systems and controls for firms holding insurance monies.
- Undertaking specific thematic and sectoral reviews of different wealth management business models.
- Reviewing the governance, onboarding, product suitability, client asset protection, and marketing practices of wealth management firms.
- Implementing a comprehensive monitoring process in relation to cyber resilience.
- Reviewing the governance practices and culture for Audit firms.
- Collaborating with UAE stakeholders to enhance the audit quality assurance framework.
- Holding outreach sessions on cybersecurity governance and resilience.
- Expanding the DFSA TIP to contribute to international cyber cooperation and resilience.

## Regulatory activities:

- Continuing to streamline our authorisation process to make it easier and quicker for firms to set up in the DIFC.
- Providing further direction on regulatory expectations for the use of AI in financial services.
- Collaborating with other regulatory bodies to further develop and enhance the purpose and application of regulatory sandboxes.

## Stakeholder engagement:

- Participating in working groups, including the UAE SFWG and the DSFWG, to shape the UAE's approach to ESG.
- Co-hosting the 2025 climate finance conference with the HKMA.
- Publishing a joint research report on ESG capital markets with the HKMA and Bloomberg.
- Collaborating with our partners to promote the development of the DIFC.
- Developing targeted communication initiatives to highlight our regulatory focus areas, such as innovation, sustainable finance, and cybersecurity.
- Collaborating with UAE authorities to prepare for the 2026 FATF evaluation.

## Regulatory framework:

- Reviewing the Funds regime, Crypto Token framework, and Corporate Governance framework.
- Updating the RPP sourcebook to make it more accessible.
- Amending the Regulatory Law to introduce a new 'secondary objective' of actively promoting the development of the financial services sector in the DIFC.

## Capabilities enhancement:

- Accelerating the implementation of our digital transformation programme.
- Leveraging AI to provide greater automation and enhance our authorisation process.





# Progress Against the 2025-2026 Business Plan

Through our Annual Report and other regular public communications, we highlight progress against key focus areas and deliverables outlined in the Business Plan.

The DFSA publishes updates, notifications, and media releases on its website on an ongoing basis. Publications are generally available in both English and Arabic.

We also maintain an active social media presence on our [LinkedIn](#) page as part of our stakeholder communications.

To subscribe to DFSA updates, visit our [Enquiries](#) section on the DFSA website.



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For general enquiries:

☎ +971 (0) 4 362 1500

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