

DFSA Annual Report 2025

Shaping the Financial Markets of the Future



His Highness Sheikh Mohammed Bin Rashid Al Maktoum

Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai



His Highness Sheikh Maktoum Bin Mohammed Bin Rashid Al Maktoum

First Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance of the United Arab Emirates, and President of Dubai International Financial Centre

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Chairman's Foreword

The recent news of Dubai's leap from 11th to seventh place in the Global Financial Centres Index – an unprecedented ranking for both the Emirate and among peers in the region – underlines its enduring strength as a magnet for capital, commerce, and talent.

It is also testament to the progress achieved in realising the shared national vision of developing the United Arab Emirates, Dubai, and Dubai International Financial Centre (DIFC) into the world's centre of choice for financial services; a place that does not just help to lead the future of the industry, but actively shapes it.

The Dubai Financial Services Authority (DFSA) continues to support DIFC's rapid growth, in line with the Dubai Economic Agenda (D33) and DIFC 2030 strategies, which seek to position the Emirate as a global top four hub for finance, investment, and innovation by 2033.

Throughout 2025, we welcomed 182 new regulated entities into our jurisdiction, bringing the total number to over 1,000. Today, this dynamic and thriving ecosystem includes the vast majority of global systemically important banks (G-SIBs), as well as an extensive network of wealth and asset managers, capital markets, banks, insurers, auditors, and professional services firms.

Strengthening global connectivity and partnerships

This breadth and depth of expertise and talent is just one reason that, regardless of current headwinds, DIFC will retain its status regionally and globally, enjoying an unmatched position as the leading international financial centre in the Middle East, Africa, and South Asia (MEASA) region – at the intersection of global trade corridors and established and fast-growing emerging markets.

To lead the DFSA into the next chapter, I was delighted last year to welcome Mark Steward as our new Chief Executive, after a long and distinguished career that has included senior

roles at the UK Financial Conduct Authority and the Hong Kong Securities and Futures Commission (SFC).

Together, we staged multiple meetings with federal counterparts, including the Governor of the Central Bank of the United Arab Emirates and the Chief Executive of the Capital Market Authority (CMA, formerly the Securities and Commodities Authority), to ensure close alignment on national strategies and objectives.

Regionally, I also led outreach efforts in my capacity as Chairman, engaging with key stakeholders to deepen partnerships, reinforce our strategic direction, and support the continued development of our markets. These included visits where I was joined by the Chief Executive, and other senior executives across the Gulf Cooperation Council (GCC) countries, to the Central Bank of Oman and Oman Financial Services Authority, and active participation in groups such as the Union of Arab Securities Authorities.

The DFSA's Chief Executive and senior management also conducted numerous high-level dialogues and strategic exchanges with international organisations to strengthen regulatory cooperation, enhance financial stability, and align with global best practices. Notable visits included the Kenyan Treasury, the International Monetary Fund (IMF) Article IV Mission, the London Stock Exchange, the Hong Kong SFC, and the Monetary Authority of Singapore. I was also proud that the DFSA co-hosted the second edition of the DFSA-Hong Kong Monetary Authority Joint Climate Finance Conference in DIFC under the theme of "Transforming Tomorrow: Harnessing Green Finance for Sustainability", showcasing

opportunities to accelerate sustainable finance through collaboration and innovation across the Middle East-Asia corridor.

Three new Memoranda of Understanding (MoUs) were signed over the year, bringing the total to over 120. These included a cooperation and collaboration agreement with the Virtual Assets Regulatory Authority (VARA) to further support the development of a robust and well-regulated digital asset market in Dubai; an MoU with the CMA on the oversight of auditors; and an international MoU with the Hong Kong SFC to deepen cooperation on regulatory oversight, ensuring compliance, governance, and cross-jurisdiction regulatory alignment.

This robust and expanding international network, along with continued consultations and knowledge-sharing with regional and global peers, will help ensure DIFC plays a pivotal role in the development of the standards, practices, and business models that will define the financial system of the future – a core objective of the DIFC 2030 strategy.



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Fadel Al Ali
Chairman



Chairman's Foreword

Maintaining regulatory strength and market integrity

Through 2025, the DFSA also expanded and refined our regulatory and supervisory mandate, pursuing the highest standards of transparency, and a proportionate and risk-based approach. Our efforts to support DIFC's expansion were balanced by in-depth risk assessments of both Authorised Firms and auditors, helping to ensure that DIFC's growth remains deep-rooted and sustainable.

Notable achievements such as the introduction of new rules governing Crypto Tokens, which took effect early this year, demonstrate our resolve to create a leading platform for the development of digital assets and new, technology-enabled business models. At the same time, we are careful to balance the opportunities around technology with the associated risks, striving to build a financial ecosystem that is distinguished not only by its performance, but also by its safety and quality of governance.

DIFC continues to emerge as a leading global centre of Environmental, Social, and Governance (ESG) and sustainable finance, with ESG bond and sukuk issuances rising to US\$ 6.6 billion in 2025 versus US\$ 5.4 billion in 2024. Landmark transactions such as Emirates NBD's AED 1 billion dual-tranche sustainable bond issuance, included a 'blue' tranche that will channel proceeds to marine conservation and sustainable water projects. This underscores the pioneering role DIFC plays in mobilising capital to address some of the world's most pressing environmental priorities.

We are also proud to play a role in empowering the regulatory leaders of the future. A personal highlight for 2025 was the relaunch of the DFSA Graduate Programme – Masaar – designed to cultivate the next generation of regulatory leaders amongst United Arab Emirates Nationals by offering structured training, mentorship, and hands-on experience in financial regulation.

Through this programme, our graduates gain deep insights into supervisory practices, policy development, and international regulatory standards, equipping them with the knowledge

needed to navigate an evolving financial landscape. By investing in emerging Emirati talent, Masaar supports the United Arab Emirates' long-term vision of building a resilient, forward-looking financial sector, shaped by highly capable national professionals.

Demonstrating resilience, looking ahead with confidence

In the year ahead, we will maintain our focus on the DFSA's four strategic pillars, further details of which can be found later in this annual report. We will be guided by the emphasis in the D33 and DIFC 2030 strategies, embracing technology and ensuring DIFC and Dubai's growth is enduring and resilient, maintaining the highest standards of investor protection.

Along with commending our successes, I would like to acknowledge the courage and resilience that have been so readily apparent throughout a challenging period for the region: amongst my colleagues at the DFSA, who have worked tirelessly to fulfil their duties and advance our organisational goals; our regulated entities and regulatory peers, whose confidence and cooperation has proven steadfast and consistent; and the leadership of Dubai and the United Arab Emirates, who with their every action have demonstrated the priority they place on the safety and well-being of residents across the country.

I also want to convey my deepest gratitude to those who have inspired us and guided the vision for the future of DIFC and Dubai, namely His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai; and His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, First Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance of the United Arab Emirates, and President of the DIFC, who had the foresight to establish DIFC as a dynamic international financial hub.



We will be guided by the emphasis in the D33 and DIFC 2030 strategies, embracing technology and ensuring DIFC and Dubai's growth is enduring and resilient, maintaining the highest standards of investor protection.

I would like to thank His Excellency Essa Kazim, Governor of the DIFC; my fellow Board members; the dedicated team at the DFSA; and our many valued partners, stakeholders, and members of the community for their continued support and contributions to DIFC's many and ongoing successes.

As we look to the future, we remain optimistic about Dubai's evolution as a financial hub, and steadfast in our commitments to maintaining the highest regulatory standards, while staying agile and responsive to changing market needs. The DFSA will continue to ensure that every business that chooses DIFC, Dubai, and the United Arab Emirates as its home has the support and resources needed to grow, innovate, and thrive in a transformative era for the global financial services industry.

Fadel Al Ali
Chairman



Chief Executive's Message

Since joining the DFSA last May, I have been mindful of the rich 21-year legacy left by all my predecessors. It will be a challenge and a privilege to build on their wonderful achievements.

A couple of things struck me on arrival and have stayed with me all year.

First, the DFSA's unique DNA combining the heartbeat of the world's fastest growing financial centre with a commitment to innovation, expertise and a firm dedication to high, international regulatory standards.

Secondly, the DFSA's unique diversity. The DFSA is home to 33 different nationalities, bringing together regulatory and financial expertise from all corners of the world with Emirati vision and entrepreneurship. This diversity has created an ecosystem within DIFC of regulatory expertise, sophistication and new technology.

There is no regulatory organisation in the world like it!

Carrying forward a legacy of achievement

Last year was a record year of growth for Dubai and DIFC. Dubai is now recognised among the world's top ten global financial centres, rising from 11th to seventh in the benchmark ratings (Global Financial Centres Index (GFCI) 39) – its highest-ever ranking. DIFC remains the region's most significant financial ecosystem comprising more than 290 banking and capital markets institutions, 113 insurance firms, 68 brokerages and over 320 wealth management firms – operating within a transparent and well-supervised environment aligned to international standards.

During the year, we saw new firm authorisations increase by 16%. The number of wealth and asset management companies in DIFC grew by 22%, including 87 hedge funds, attracting major global fund managers and other reputable names, and driving total Assets Under Management (AUM) of US\$ 176 billion. Our insurance sector grew by 15%; our capital market remained one of the world's most significant issuers of sukuk with US\$ 107.9 billion in listings during the year, as well as a global hub for ESG bonds, and dim sum bonds; we saw the MENA region's largest public digital bond with Emirates NBD's issuance of AED 1 billion Digitally Native Notes.

We also saw unprecedented growth in DIFC's Over-the-Counter (OTC) market based on volume and value of transactions (US\$ 13 trillion in Q4 2025) as well as an increase in the number of participant firms. This upward trajectory of growth is aligned with the expansion of firms' activities, increased client demand, and the growing position of Dubai as a global financial centre connecting the Middle East, North America, Europe, Africa, and the Asia Pacific region.

This growth is a positive indicator of market development in DIFC. We will continue to work with firms to understand the drivers for growth, and how any associated risks are being managed to support controlled and sustainable growth.

According to GFCI 39, Dubai is by far the largest and most competitive financial centre in the Middle East, Africa, and South Asia (MEASA) region and the only centre in the GFCI 39 top twenty.

I am proud of our progress in an environment of ongoing global uncertainty and geopolitical risk. Few of us could have anticipated recent events in the region. However, the response from my DFSA colleagues, as well as our stakeholders in both the government and from the banking, insurance and financial sectors, has been outstanding as we continue to lay the groundwork for the future of financial markets.

Over the course of the last few months, we have refreshed our regulatory approach with a focus on broadening and deepening the banking, insurance, wealth and asset management sectors as well as our capital market as a capital hub for the Global South. We want to provide our firms with greater regulatory certainty, reduced friction and harmonisation within the UAE and the region.

We have also initiated a new market development programme to engage more closely with the market. Our experience tells us that good regulation is as much about knowing our firms well, including understanding better how they are growing, as it is about setting and maintaining high standards.

And, we have refreshed our digitisation programme and will be introducing data-led approaches across our authorisation, supervision, enforcement and risk management programmes, including the targeted use of AI, including Agentic AI functions.

Anticipating and acting on change

We are also developing ourselves, refreshing our culture, our values and building a more cross-cutting and strategic organisation that will anticipate and manage a more volatile global environment. Technology is changing the way firms operate on a scale that few are able to grasp. We need to focus on regulatory fitness for purpose in a region that is younger, more digitally aware and future-focused than anywhere else in the world.

An open, proactive and pragmatic stance to the regulation of emerging markets, technologies and assets has helped position DIFC as one of the four top fintech hubs globally. We need to build on this while ensuring our 21-year-old DNA remains at the heart of who we are.

Growth and change are happening at a fast pace already. This year we saw the inauguration of DIFC Zabeel District, a vast expansion of DIFC, recently announced by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai. Spanning over 7 million square feet with an estimated gross development value exceeding AED 100 billion, the Zabeel development will double the space available for the DIFC and includes the world's first purpose-built AI Campus. This expansion will help firms grow in confidence.

At capacity, the campus will be home to some 6,000 AI, fintech and innovation businesses, employing 30,000 skilled technology workers. By providing the regulatory frameworks and oversight to support these businesses and their activities, DFSA will play a key role in this exceptional project reaching its full potential.

Developments like Zabeel demonstrate that while we will always need to manage risks and disruption, we remain focused on the execution of a long-term strategic vision – much like the leadership of the Emirate we call home.

We will become a global 'super-connector,' providing the regulatory rails and best practices that enable seamless flows of global capital, ideas and talent, while also protecting market participants, and supporting the integrity, resilience and sustainable growth of the financial ecosystem. This role will be more vital than ever in a world where the connectivity that has enabled so much prosperity over the past few decades is being tested. It is also a role for which the DFSA, DIFC and Dubai are well positioned.

Acknowledgements

I would like to express my sincerest gratitude to the DFSA Board and the entire DFSA team for their contributions to strengthening DIFC and Dubai's position as a leading global financial services hub; our stakeholders for their enduring trust and confidence; and the government of Dubai and the United Arab Emirates, for their steadfast leadership and unwavering commitment to ensuring the safety, security and prosperity of all of us in Dubai.

Mark Steward

Chief Executive



I am proud of our progress in an environment of ongoing global uncertainty and geopolitical risk. Few of us could have anticipated recent events in the region. However, the response from my DFSA colleagues, as well as our stakeholders in both the government and from the banking, insurance and financial sectors, has been outstanding as we continue to lay the groundwork for the future of financial markets.

Mark Steward

Chief Executive

At a Glance

The DFSA supports a globally connected financial centre through risk-based and proportionate regulation.

About Us

The Dubai Financial Services Authority (DFSA) is the independent banking, financial services, and markets regulator of Dubai International Financial Centre (DIFC), a purpose-built financial free zone in Dubai, United Arab Emirates (UAE).

The DFSA's regulatory and supervisory mandate covers wealth and asset management, banking, capital markets, and insurance. This includes: securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, reinsurance, and fintech. The DFSA also oversees an international equities exchange (Nasdaq Dubai) and an international commodities derivatives exchange (Gulf Mercantile Exchange).

In addition to regulating financial and ancillary services, the DFSA is responsible for administering Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) legislation that applies to Authorised Firms and Designated Non-Financial Businesses or Professions (DNFBPs) in DIFC.

The DFSA is also responsible for the registration and oversight of Registered Auditors and Audit Principals in DIFC, including their continuing compliance with registration criteria and the conduct of audits of Public Listed Companies, Authorised Firms, Authorised Market Institutions (AMIs), and Domestic Funds.

The DFSA's enforcement role includes investigating potential misconduct and taking action where breaches of regulatory requirements are identified. The Authority applies appropriate sanctions such as financial penalties, licence restrictions or suspensions, and legal proceedings to uphold market integrity and protect stakeholders. In addition, the DFSA exercises delegated enforcement powers under DIFC Companies Law, including examining the affairs of DIFC companies and partnerships where material breaches are suspected, and pursuing enforcement remedies available to the Registrar of Companies.

Aligned with the Dubai Economic Agenda (D33), which aims to position Dubai as one of the world's top four financial centres by 2033, as well as the DIFC 2030 and Digital Dubai strategies, the DFSA's mission is to safeguard the integrity and resilience of DIFC's financial ecosystem through world-class regulation, ensuring a fair and transparent environment where institutions and investors can operate with confidence. By continuously enhancing its legal and regulatory framework, the DFSA supports the growth of a resilient and internationally aligned financial ecosystem, enabling capital formation, innovation, and cross-border financial activity. In doing so, it contributes to the development of DIFC as the leading international financial centre in the Middle East, Africa, and South Asia region (MEASA), while continuing to create opportunities for both traditional and emerging sectors to thrive.



Overview (as at 31 December 2025)

DFSA: Sector composition

Banking | Wealth and Asset Management | Capital Markets | Insurance



DFSA: Our people

191 employees

27% UAE Nationals

33 nationalities represented

49% women (43% at senior management level)

5 graduates successfully onboarded to *Masaar* – meaning 'path' in Arabic – the DFSA's graduate programme

82% of regulatory colleagues hold a professional qualification

Average 4.5 days of formal learning undertaken per employee per year



At a Glance (as at 31 December 2025)

DIFC:
Established in Dubai,
connected to the world



- The leading international financial centre across the Middle East, Africa, and South Asia (MEASA) region
- Home to 27 of the 29 global systemically important banks (G-SIBs)
- Presence of the five leading Chinese banks
- Ranked 7th in March 2026 in the Global Financial Centres Index

DIFC:
Built for scale,
designed for growth



- 182 regulated entities welcomed in 2025
- 1,050 regulated entities in total, up 16% in 2025 (2024: 902)
- 152 Authorised Firms welcomed in 2025
- 895 Authorised Firms in total, up 16% in 2025 (2024: 774)
- 1,465 individuals authorised in 2025
- 4,358 Authorised Individuals in total, up 44% in 2025 (2024: 3,019)
- 22 Designated Non-Financial Businesses or Professions (DNFBPs) registered in 2025
- 130 DNFBPs in total, up 18% in 2025 (2024: 110)
- 8 auditors registered in 2025
- 25 registered auditors in total, up 39% in 2025 (2024: 18)

DIFC:
Ecosystem
composition



- 321 wealth management firms
- 290 banks and capital markets companies
- 113 insurance and reinsurance entities
- 68 brokerage firms
- 87 authorised hedge funds
- 2 of the world's largest hedge fund managers
- 53 ESG securities
- 12 digital assets and crypto firms

DIFC:
Wealth and Asset
Management



- US\$ 176 billion Assets Under Management, up 4% year on year
- US\$ 220 billion Assets Under Advisory, up 22% year on year
- 73,000 Wealth Management clients, up 35% year on year

DIFC:
Banking



- US\$ 251 billion total assets, up 19% year on year
- 18.8% average Total Capital Ratio (against 10% minimum requirement)
- 238% average Liquidity Coverage Ratio (against 100% minimum requirement)
- 145% average Net Stable Funding Ratio (against 100% minimum requirement)
- 1.76% Non-Performing Loans Ratio (0.70% net)

DIFC:
Funds



- 276 funds in total
- 108 qualified investor funds
- 95 public funds
- 73 exempt funds
- 118 passported funds, including 105 domiciled in DIFC (13 in ADGM)

DIFC:
Capital Markets



- US\$ 30.6 billion raised in new listings in 2025, up 21% year on year
- US\$ 147.4 billion outstanding listings
- US\$ 107.9 billion outstanding sukuk listings

DIFC remains one of the world's largest jurisdictions for sukuk

DIFC:
Insurance



- US\$ 4.24 billion gross written premiums by reinsurers, up 21% year on year
- US\$ 3.38 billion gross written premiums by insurance brokers, up 13% year on year
- 15% growth in number of insurance-related entities

At a Glance

Our History

2004

Dubai Law No. 9 of 2004 enacted by H.H. Sheikh Maktoum bin Rashid Al Maktoum, creating the DFSA as an independent entity within DIFC

2006

Launched DFSA's Tomorrow's Regulatory Leaders programme, for UAE Nationals seeking regulatory careers
Authorised 100th firm



2005

Undertook first enforcement action
Authorised the Dubai International Financial Exchange (now Nasdaq Dubai) as an Authorised Market Institution (AMI)

2007

Authorised the Dubai Mercantile Exchange as an AMI
Authorised 200th firm
Hosted the IOSCO Emerging Markets Committee Annual Conference, representing more than 90% of the world's securities regulators



2008

Signed the Boca Declaration, a multilateral MoU on co-operation and supervision of international futures markets and clearing organisations
Authorised 300th firm
UAE Nationals represented 13% of DFSA employees

2009

Signed MoU with the Anti-Money Laundering Suspicious Cases Unit of the Central Bank of the UAE (now the Financial Intelligence Unit) to enhance regulatory co-operation and information exchange

2010

Signed the International Association of Insurance Supervisors (IAIS) multilateral MoU, a first for the GCC

2011

Signed MoU with the UAE Insurance Authority, completing arrangements with all three UAE federal financial regulators
Assumed maintenance of the Official List of Securities

2012

European Commission granted equivalence to the DFSA's audit monitoring system
Published first public report on audit oversight in DIFC



2014

Celebrated the DFSA's 10th anniversary
Published first Anti-Money Laundering (AML) report



2013

Launched *Bawabaty*, a financial services awareness initiative for UAE Nationals



2015

Hosted delegation of key government, financial and business leaders to further links between Dubai and Hong Kong, both gateways for fast-growing trade and investment flows between West and East



2017

Introduced the Innovation Testing Licence, DFSA's version of a regulatory sandbox
Launched a regulatory framework for crowdfunding platforms



2016

First regional audit regulator to meet European standards for information sharing and confidentiality
Updated Collective Investment Rules for Property Funds and established a framework for Money Market Funds



2018

Enactment of the Regulatory Law Amendment Law (DIFC Law No. 6 of 2018) by H.H. Sheikh Mohammed bin Rashid Al Maktoum, enhancing the DFSA's AML and combating the financing of terrorism (CFT) regime

2019

SCA (now CMA), Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market (ADGM) and the DFSA announced new fund passporting facility between authorities

Joined Central Banks and Supervisors Network for Greening the Financial System (NGFS), the first regulatory authority in the Middle East and North Africa (MENA) region to do so

Celebrated the DFSA's 15th anniversary and authorised 500th firm

Launched the DFSA's Cyber Threat Intelligence Platform, the first regulatory-led platform of its kind in MENA



2021

Launched regulatory framework for Investment Tokens, forming first phase of digital assets regime

Joined the UAE Sustainable Finance Working Group as a founding member

Launched Task Force on Sustainable Finance

2023

Signed MoU with Financial Intelligence Unit to advance cooperation on anti-money laundering and combating the financing of terrorism

Published report on first industry-level cyber simulation exercise

2022

Launched first comprehensive regulatory regime for whistleblowing in the UAE

Implemented the DFSA's Crypto Token regime

2020

Issued joint guidance with the Central Bank of the UAE (CBUAE) and FSRA on the application of International Financial Reporting Standards (IFRS) 9 for banks and financial services companies during COVID-19

2025

- Launched the DFSA's Tokenisation Regulatory Sandbox for firms exploring tokenised investment products and services
- Hosted 18 regulatory authorities at the DFSA's inaugural Regulatory College during Dubai FinTech Summit 2025
- Authorised 1,000th firm
- Co-hosted with HKMA the second joint Climate Finance Conference in Dubai
- Announced updated Crypto Token rules, effective from January 2026

Purpose, Vision, and Values



Purpose

What we exist to achieve, above all else:

Broad. Deep. Fair.

Shaping the Financial Markets of the Future.

For Dubai International Financial Centre to sustain the financial markets of the future through expanded access, resilient liquidity, and uncompromising transparency and fairness for all participants.

Vision

What we want to be:

To be the driving force for broad, deep, and fair markets across the Middle East, Africa, and South Asia (MEASA) region that expand access, strengthen liquidity, and ensure transparency and opportunity for participants.

Approach

The way we work with others:

We are “Collaborative Standard-Setters” – shaping global best practices through active engagement while ensuring our regulation remains risk-based and proportionate.

Values

The beliefs that drive how we work:

The core beliefs and guiding principles that drive how we fulfil our mandate – shaping our decisions, empowering our people and community to accelerate the delivery of our purpose and vision – are as follows:

Integrity

We act with ethics

We behave with the highest standards of integrity in our work and in our dealings with each other. We are committed to open and constructive communications, honesty and fairness in our conduct, free from all bias. We act as a source of enduring confidence in the financial system. We respect one another and hold ourselves to account for our performance. We do the right thing, even though it might be difficult.

Excellence

We are committed to quality

We give our very best in everything that we do, setting ourselves the highest standards of performance and delivery. We approach every challenge with a problem-solving mindset, staying focused on meaningful outcomes. With fresh thinking, insight, resilience, and determination, we push beyond the expected to find better ways forward for our market, our people, and the community that we support. We nurture our talent, learn from every experience, and continually improve as we grow – because excellence is not a destination, but a commitment that we renew every day.

Innovation

We nurture new ideas

We are problem solvers, bringing fresh thinking to everything that we do – both in how we carry out our work and in how we spark innovation across the markets that we regulate. We are committed to continuous improvement, encouraging new ideas, new technologies, and new approaches while managing risk responsibly, and with purpose. We hold a deep commitment to outcomes that build resilient, sustainable markets – strengthening stability, fairness, and confidence across DIFC, Dubai, and the United Arab Emirates – today and for the future.

Leadership

We lead with purpose

We believe that leadership lives in all our roles. Guided by our purpose, we take responsibility for our decisions, act with integrity, and contribute to outcomes that build trust and long-term value. We work with empathy, foresight and loyalty, taking responsibility for our decisions, and we serve with sound judgement and clarity of intent. We set the benchmarks that elevate performance and inspire each other to achieve better, aim higher, and deliver more for the communities that we serve.

Collaboration

We partner to succeed

Collaboration is the key to long-term growth, so we pride ourselves on our proactive approach to it and engage with the entire financial services ecosystem. We take a multi-disciplinary approach to our work, with collaboration at the heart of everything that we do. We work across teams, coming together to create solutions to even the most complex challenges. We listen to one another with intention, and we exchange information, know-how, and expertise – because when we work as one, we achieve outcomes none of us could reach alone.

Year in Review



January

Co-led (with the UK's Financial Conduct Authority) a **Global Financial Innovation Network** report on consumer-facing AI's transformative impact on financial services, offering key insights for global regulators

February

Published **2025-2026 Business Plan**, underscoring commitment to advancing regulatory excellence, driving innovation, and fostering sustainable growth within DIFC

Congratulated His Excellency Waleed Saeed Abdul Salam Al Awadhi, former Chief Operating Officer of the DFSA, on his appointment as CEO of the Securities & Commodities Authority (now the Capital Market Authority)

March

Sought expressions of interest for the DFSA Tokenisation Regulatory Sandbox

April

Partnered with the Union of Arab Securities Authorities to lead a regional discussion on innovation and regulatory advancement

May

Inaugural DFSA Tokenisation Regulatory Sandbox attracted expressions of interest from nearly 100 firms, marking a major milestone in DIFC's fintech development

Brought 18 authorities together to discuss AI and cybersecurity risks at inaugural DFSA Regulatory College during Dubai FinTech Summit 2025

Launched **2025 Graduate Programme** – Masaar – to foster the UAE's next generation of financial services regulatory leaders

June

Began engagement with firms selected for the DFSA Tokenisation Regulatory Sandbox, reinforcing commitment to responsible innovation in DIFC

Joined UAE authorities in launching consultation on principles for climate transition planning

Published report exploring regulatory insights into cybersecurity, artificial intelligence and quantum risks

September

Signed MoU with Hong Kong's Securities and Futures Commission to strengthen cooperation in supervising cross-border investment management

Welcomed the **2025 cohort** of graduates to the Masaar programme, helping to foster the UAE's next generation of regulatory leaders

October

DFSA Connect introduced new digital services to streamline regulatory approvals processes, enabling firms to set up and grow their businesses more seamlessly within DIFC

Partnered with Virtual Assets Regulatory Authority to strengthen regulatory cooperation in support of Dubai's position as a leading global financial centre

Partnered with the UAE's Securities and Commodities Authority (now the Capital Market Authority) to strengthen regulatory cooperation through an MoU on the oversight of auditors

DIFC welcomed **1,000th regulated entity**. Dubai advanced its position to become MEASA's leading financial centre

November

Published **AI survey results**, showing generative AI adoption nearly tripled within DIFC in previous 12 months, as governance continued to develop

Joint DFSA and Hong Kong Monetary Authority (HKMA) report, published with BloombergNEF, revealed that labelled sustainable debt issuance in MENA and emerging APAC markets had tripled to US\$ 94 billion since 2020

Partnered with HKMA to co-host the second Joint Climate Finance Conference, highlighting opportunities to accelerate sustainable finance through collaboration and innovation

Hosted **2025 Annual Outreach** for over 500 industry leaders, addressing governance, AI oversight, and compliance

December

UAE Sustainable Finance Working Group published its fourth statement during Abu Dhabi Finance Week 2025

Issued updated rules on the regulation of Crypto Tokens in DIFC, effective from January 2026



2025 in Numbers (as at 31 December 2025)



Broadening and deepening the financial services sector

86
licence variations issued for financial services activities



Upholding market integrity and regulatory confidence

79
risk assessments conducted on Authorised Firms

8
thematic review reports published

12
risk assessments conducted on registered auditors

8
outreach programmes conducted (including digital assets, financial crime, client assets)



Strengthening capital markets

29
recognised bodies in total (exchanges, clearing houses and alternative trading systems operating in jurisdictions outside DIFC)

44
recognised members in total (broker-dealers and trading firms operating in jurisdictions outside DIFC)



Fostering global regulatory cooperation

120
Memoranda of Understanding signed in total since 2004

3
bilateral Memoranda of Understanding entered

32
local and international delegations received

5
multilateral Memoranda of Understanding and

119
regulatory requests made to fellow regulators

85
regulatory requests received from fellow regulators

8
innovation agreements signed



Committed to regulatory clarity and confidence

6
consultation papers published

45
waivers and modifications granted

40
rulemaking instruments issued

17
consultation papers, surveys and questionnaires submitted to international standard-setters and regulators



Ensuring robust, fair, and proportionate enforcement

1
enforcement action against an individual

17
live investigations undertaken (7 concluded, 10 ongoing)

322
complaints received regarding firms or individuals within the DFSA's jurisdiction

49
consumer alerts issued

81%
of complaints assessed or finalised within 28 days of receipt



Delivery of regulatory excellence

Engagement with international organisations including:

International Organisation of Securities Commission
Basel Committee on Banking Supervision
Network for Greening the Financial System
Sustainable Insurance Forum
Islamic Financial Services Board
International Association of Insurance Supervisors
International Forum of Independent Audit Regulators
Global Financial Innovation Network
Union of Arab Securities Authorities



2025 in Focus

Evolution of our strategy

In 2025, the DFSA evolved its strategy to keep pace with rapidly changing market dynamics, particularly as innovation reshapes global finance. In addition to its traditional enforcement role, the DFSA is increasingly placing greater emphasis on proactive supervision, risk-based regulation, and engagement with emerging sectors such as fintech and digital assets. This includes adapting its regulatory frameworks to support innovation while maintaining market integrity and investor protection. By strengthening collaboration with international regulators and leveraging data-driven oversight, the DFSA aims to remain responsive to new risks and opportunities, ensuring that DIFC continues to operate as a resilient, transparent, and globally competitive financial hub.

The DFSA's approach is closely aligned with the Dubai Economic Agenda (D33), together with the DIFC 2030 and Digital Dubai strategies, supporting Dubai's broader ambition to become a top four global financial centre by 2033.

For further details regarding our strategic roadmap, please refer to the 'Our Strategy' section of this report.

Measured growth across all sectors

In 2025, the DFSA continued to support the evolution of DIFC as a financial ecosystem that is expanding participation, deepening capability, and strengthening liquidity. This progress was reflected in sustained growth across Banking, Wealth and Asset Management, Capital Markets and Insurance, alongside increasing sophistication in business models, products, and market activity.

The year marked a clear shift from expansion alone to a more balanced focus on ensuring that growth is underpinned by strong governance, effective risk management, and operational resilience.

This approach is reflected in a financial ecosystem that is increasingly:

- **Broader**, through the continued expansion of firms, products, services, and business activity across all sectors;
- **Deeper**, through greater market activity, growth in assets under management and administration, and a strengthened focus on governance, controls, and operational resilience; and
- **Fairer**, through ensuring that DIFC continues to develop not only in scale, but in strength and sustainability, reinforcing its position as a leading international financial centre.

Banking

DIFC continued to strengthen its position as a global banking hub in 2025, with sustained growth in scale, stability, and international participation.

The Centre hosts 27 of the 29 global systemically important banks as classified by the Financial Stability Board, reflecting its continued attractiveness to leading global institutions. The combined balance sheets of banks operating in DIFC reached US\$ 251 billion as at Q4 2025, representing sustained growth over time – with a 19% year on year increase and a 195% increase from 2015.

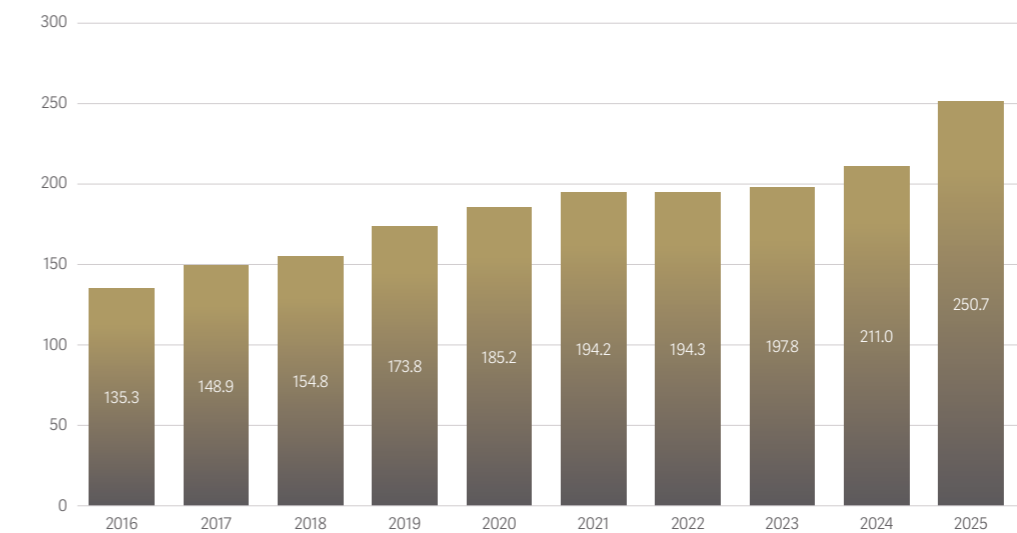
Banks continued to enjoy strong and sound financial positions, including comfortable levels of capital and liquidity buffers well above minimum regulatory requirements, combined with high-quality assets. As at 31 December 2025, they maintained a Core Equity Tier 1 (CET1) Ratio at 14.5%, an Average Total Capital Ratio at 18.8%, a Liquidity Coverage Ratio (LCR) at 238% and a Net Stable Funding Ratio (NSFR) at 145%. During 2025, the cumulative non-performing loan ratio for all banks fell to a record low of 1.76% (gross) and 0.70% (net).

Supervisory focus remained on ensuring the safety and soundness of the banking system, supported by ongoing monitoring of global and regional developments, including evolving geopolitical risks, a challenging macroeconomic environment, and the increasing use of technologies such as Generative AI.

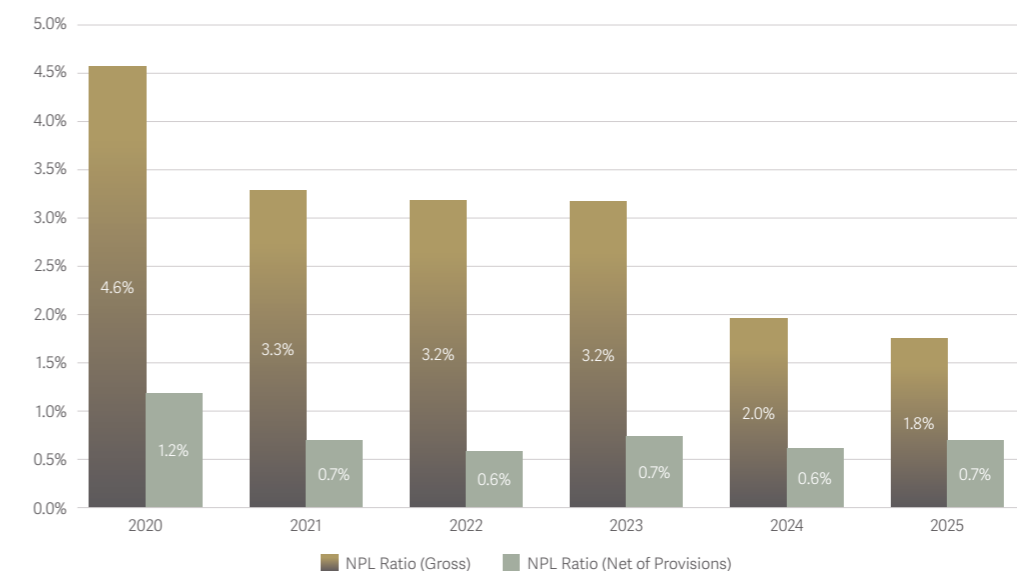
Strong interest from global banks to establish a presence in DIFC continued, including the approval of a new Category 1 licence for National Bank of Kuwait which has ambitious plans to grow its DIFC presence.



Total Assets of the Commercial Banking Sector (US\$ billion)
As at 31 December



Non-performing Loans Ratio
As at 31 December



2025 in Focus

Wealth and Asset Management

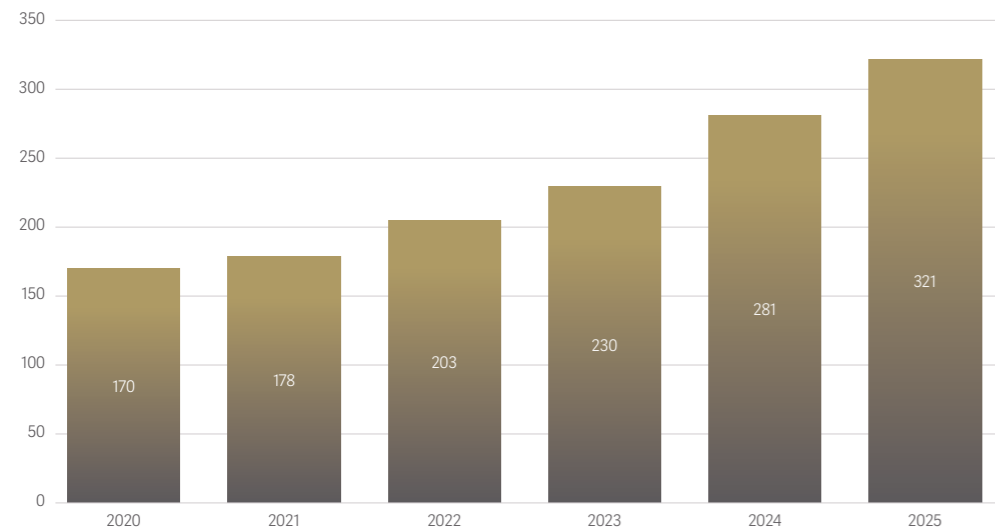
Wealth and Asset Management continues to represent a core sector of the DIFC ecosystem, both in scale and depth.

During the year, the fund management sector expanded to 121 Authorised Firms, with US\$ 17 billion in funds under management as at 31 December 2025. This reflects the UAE's position as a jurisdiction of choice for fund structuring and management.

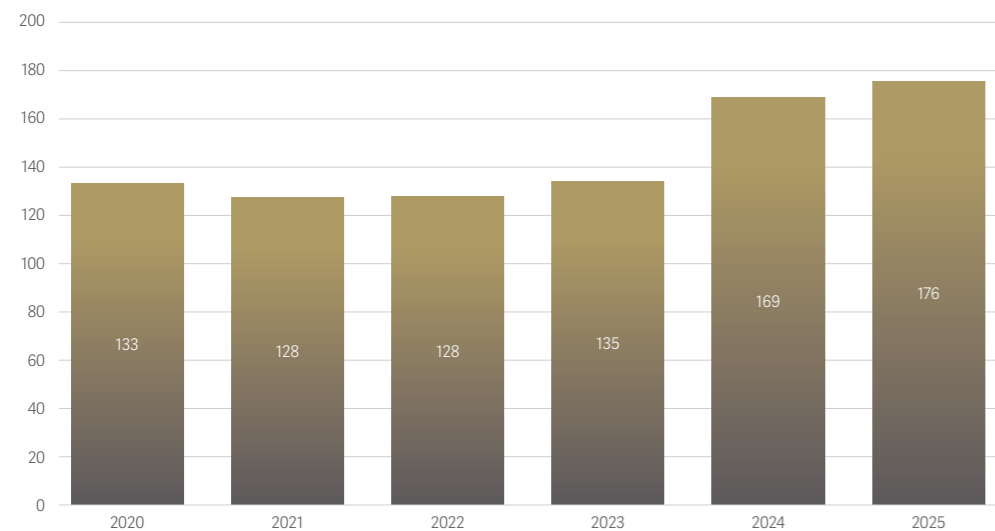
More broadly, the sector comprises 321 Authorised Firms, representing the single largest sector we supervise, with approximately US\$ 176 billion of assets under management.

Private banking activity also continued to expand, with assets under advice reaching US\$ 103.8 billion, representing 23% year on year growth, further reinforcing DIFC's position as a leading wealth and asset management hub.

Number of Authorised Firms in the Wealth Management Sector
As at 31 December



Total Assets Under Management (US\$ billion)
As at 31 December



2025 in Focus

Capital Markets

Capital Markets continued to play a central role in supporting DIFC's position as a comprehensive international financial centre in 2025, enabling capital formation, liquidity, and market connectivity.

During the year, the total value of new debenture listings reached US\$ 30.6 billion, bringing outstanding listings to US\$ 147.4 billion. DIFC also maintained its position as one of the world's leading jurisdictions for sukuk, with US\$ 107.9 billion in outstanding listings.

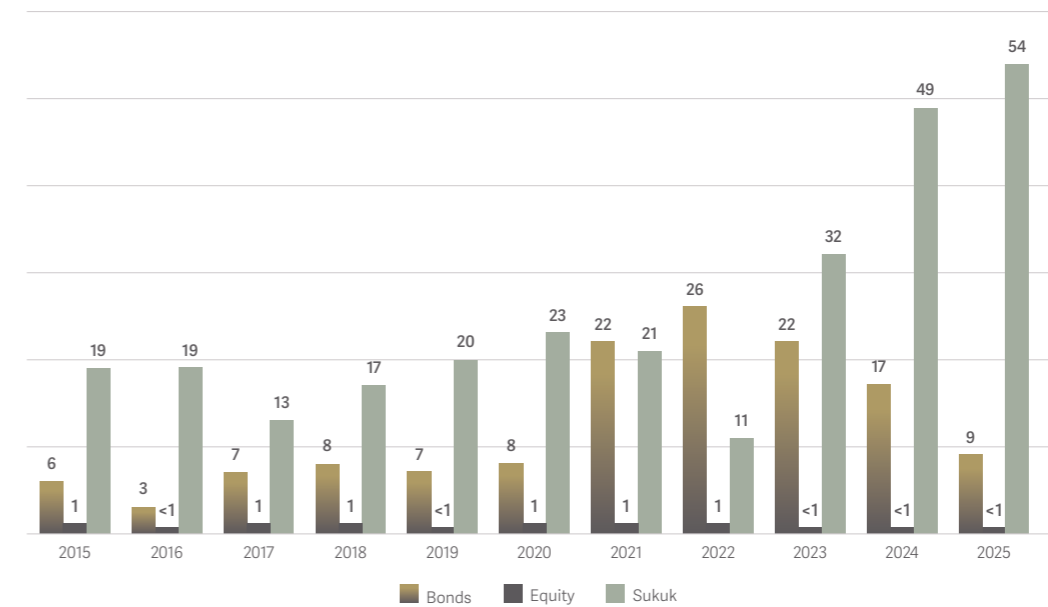
Market infrastructure continued to develop, with two Authorised Market Institutions operating within DIFC and a growing network of participants, including 29 recognised bodies and 44 recognised members.

The market ecosystem continued to expand in complexity, supported by the development of fixed income markets and emerging products, including the recognition of new fiat crypto tokens for use within financial services activities in DIFC.

The DFSA maintained a strong focus on market integrity, including the monitoring and sharing of suspicious trading activity with international regulators.

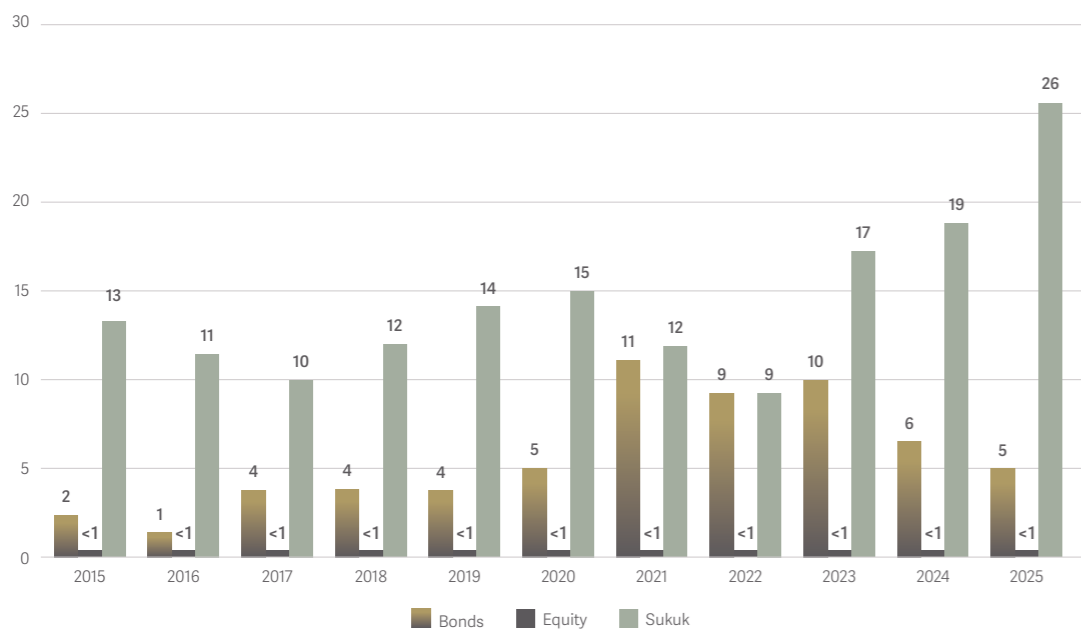


Total number of listing transactions by security type
As at 31 December

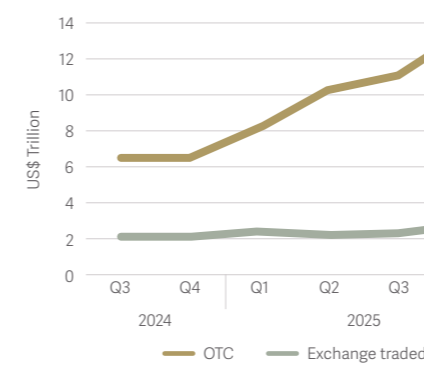


The year also saw unprecedented growth in DIFC's Over The Counter (OTC) market based on volume and value of transactions (US\$ 13 trillion in Q4 2025), as well as an increase in the number of participant firms. This upward growth trajectory is aligned with the expansion of firms' activities, increased client demand, and the growing position of Dubai as a global financial centre connecting the Middle East, North America, Europe, Africa and the Asia Pacific region – a positive indicator of market development in DIFC. We will continue to work with firms to understand the drivers for growth and to identify how any associated risks are being managed to ensure such growth is controlled and sustainable.

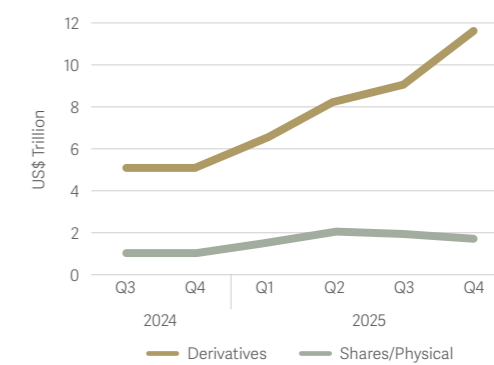
Listing value per year by security type (US\$ billion)
As at 31 December



Total OTC activity



Type of financial instrument transacted OTC



During the year, firms significantly increased their dealing and arranging activities conducted in DIFC. This was most notable in the OTC market, which saw material growth based on volume and value of transactions as well as the number of participant firms. Most of the recent growth in OTC activity has been in derivatives, with a particular concentration in foreign exchange and interest rates.

2025 in Focus

Insurance

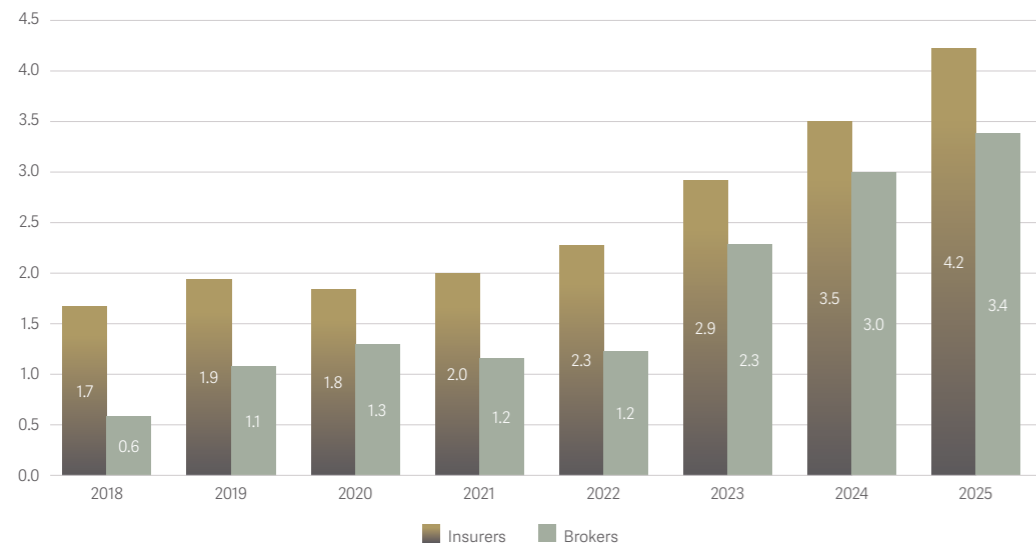
The insurance sector continued to demonstrate strong growth in 2025, reinforcing DIFC's position as a regional hub, with a 15% increase in the number of insurance-related entities.

At year end, the aggregate sum of Gross Written Premiums (GWP) generated in DIFC by reinsurers and reinsurance underwriters reached a record high of US\$ 4.24 billion, and US\$ 3.38 billion generated by insurance brokers, reflecting an increase in capacity, product offerings, and market participation.

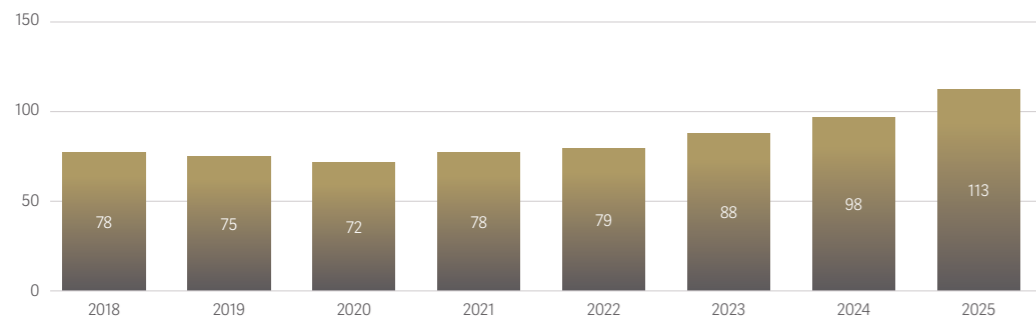
Supervisory focus remained on strengthening governance and control frameworks, with particular attention to underwriting practices, the handling of insurance monies, and the transparency of disclosures to counterparties.

The insurance sector also continued to evolve through the expansion of business models, including captive and reinsurance structures, contributing to increased market depth and sophistication.

Gross Written Premiums (US\$ billion)
As at 31 December



Number of Insurance Firms
As at 31 December



A broader and deeper ecosystem

Across all sectors, DIFC's ecosystem continued to broaden during the year through the expansion of firms and increasing diversity of participants, while also deepening through increased market activity and more sophisticated business models.

This growth has contributed to a more complex operating environment. Supervisory observations during the year highlighted that high-growth firms continue to face challenges in aligning governance and control frameworks with the pace of expansion, particularly in areas such as Board oversight, internal controls, and the integration of risk and compliance functions.

Maintaining strong customer and investor outcomes remained a core priority. Areas identified for improvement included disclosures, transparency and the management of conflicts of interest, particularly within insurance intermediation and investment-related activities.

At the same time, the increasing use of technology, including artificial intelligence, is reshaping financial services and introducing new considerations for customer protection and regulatory oversight.

The DFSA's focus remains on ensuring that innovation enhances, rather than compromises, the quality, transparency, and fairness of customer and investor outcomes.



Our Strategy

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- 34 Our Roadmap
- 35 Strategic Pillars
 - Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth
 - Strategic Pillar #2: Shaping Policy Through Strategic Collaboration
 - Strategic Pillar #3: Innovating Responsibly and Managing Risk
 - Strategic Pillar #4: Driving Operational Excellence

Setting the Scene

Dubai has established itself as a pivotal global financial hub, strategically positioned at the crossroads of East and West. Its time zone enables real-time connectivity between major markets in Asia, Europe, North America, and Africa, allowing seamless capital flows and extended trading windows across regions. Firms can grow here because Dubai accesses more of the 'world's day'.

Dubai is also at the heart of the region's growth in the Middle East, Africa, and Asian corridor. Spanning over 70 countries – the region accounts for GDP exceeding US\$ 10 trillion and 45% of the global population¹ – Dubai provides access to some of the world's fastest-growing economies, representing significant investment potential.

Supported by a robust, risk-based and proportionate regulatory framework, world-class infrastructure, and a leading international financial centre in the form of DIFC, Dubai continues to play a critical role in facilitating cross-border trade, investment, and financial intermediation across this vast and diverse region.

The DFSA plays a central role aligned with the Dubai Economic Agenda's (D33) ambition to position Dubai among the world's top four global financial centres. The DFSA leads the development of international standards in an international financial centre. It also works closely with local, regional, and international regulators, investors,

and stakeholders to broaden and deepen financial markets, reinforcing its role as the leading international financial centre across the region.

Underpinned by the principles of England and Wales common law, the DFSA's regulatory approach and commitment to the highest standards in the region provides a business-friendly environment that is stable, predictable, and globally recognised, enabling member firms to establish, operate, and grow with confidence.

Through forward-looking regulation, the DFSA supports market development by fostering responsible innovation while maintaining high standards of transparency, stability, and investor protection, with the aim of securing high-quality sustainable growth across DIFC.

¹ IMF World Economic Outlook 2025 estimates, nominal GDP; World Bank World Development Indicators; UN and World Bank population data sets; Middle East includes GCC states and broader region including Egypt, Iraq, Israel, Turkey; South Asia includes India, Pakistan, Bangladesh.

Our Roadmap

In 2025, the DFSA refreshed its strategy to respond to rapid transformation across financial services, including the accelerated adoption of artificial intelligence (AI), the increasing use of distributed ledger technologies, and the emergence of new business models.

The refreshed strategy ensures that the DFSA's regulatory approach remains agile, responsive, and internationally aligned, while continuing to support sustainable and high-quality market growth.

The DFSA's strategy is shaped by a changing landscape. This includes the rapid growth of DIFC, evolving global macroeconomic and geopolitical conditions, growing regulatory fragmentation,

increasing competition for talent and the accelerating pace of innovation across areas such as digitisation, AI, open banking, and quantum computing. It also reflects the strategic opportunity created by D33, the DIFC 2030 Strategy, the UAE Financial Services Blueprint, and the UAE Islamic Finance Strategy 2031.

Regulatory clarity, innovation, and high standards are not simply enablers, but important drivers of

future growth. The DFSA's ambition is to continue broadening and deepening DIFC as a globally competitive financial centre by attracting high-quality firms and creating opportunities for both traditional and emerging sectors to thrive.

The DFSA's strategic roadmap builds on the priorities outlined in the 2025-2026 Business Plan and is structured around four core Strategic Pillars. These Strategic Pillars provide a clear framework for delivering long-term value, strengthening regulatory effectiveness, and supporting the continued evolution of DIFC.

A dedicated Project Management Office supports the delivery of this roadmap, strengthening governance, enhancing execution discipline, and

ensuring coordinated and timely implementation of strategic initiatives. More broadly, the strategy is supported by a 'One DFSA' approach that connects delivery across supervision, policy and legal, markets, enforcement, operations, and financial crime, with a focus on digitalisation, market engagement, innovation, governance, and leadership capability.

The DFSA is also strengthening the foundations needed to deliver this strategy over the long term. This includes enhancing operational capability through a flexible and scalable operating model, improving service delivery and data infrastructure, and continuing to build a more connected, inclusive, and purpose-driven culture across the organisation.

Our Strategic Pillars

The DFSA's strategy is underpinned by four core Strategic Pillars:

Driving Sustainable, Scalable, and High-Quality Growth

supporting the expansion and resilience of financial markets while enabling sustainable, scalable, and high-quality growth, specifically across the Banking, Wealth and Asset Management, Capital Markets, and Insurance sectors

Shaping Policy Through Strategic Collaboration

strengthening local, regional, and international regulatory collaboration and providing clarity for firms operating across borders

Innovating Responsibly and Managing Risk

enabling new and evolving business models through a forward-looking and proportionate regulatory approach

Driving Operational Excellence

enhancing operational effectiveness through a flexible and scalable operating model

Together, these Strategic Pillars position the DFSA to respond to a rapidly evolving financial landscape, while continuing to support DIFC's growth as a globally competitive and resilient financial centre.

Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth

Broadening and deepening through a thriving financial ecosystem

What we set out to achieve in 2025

Deepening and diversifying Dubai's financial services sector

Throughout 2025, the DFSA worked to concentrate more innovation and market development in DIFC by attracting a broader and more sophisticated mix of leading traditional and pioneering financial services firms, while supporting the expansion of those authorised to conduct business from the centre. This approach focused not only on growth in numbers, but on attracting high-quality, credible, innovative, and internationally aligned firms that contribute meaningfully to the financial ecosystem, support sustainable capital formation and flows, and strengthen the quality, sophistication, and resilience of DIFC. These efforts reinforced DIFC's position as a leading and premier international financial centre in the MEASA region, across four focus areas – Banking, Wealth and Asset Management, Capital Markets, and Insurance.

Why driving sustainable, scalable, and high-quality growth matters

Strengthening trust and resilience for continued market development

We are creating the conditions to ensure that sustainable, scalable, and high-quality growth within DIFC supports the Dubai Economic Agenda (D33) and DIFC 2030 strategies, which aim to position Dubai among the world's top four global financial centres by 2033.

At a time of heightened geopolitical uncertainty, market volatility, and rapid technological change, the importance of strong, clear, and fair regulation has become even more pronounced. Equally critical is the presence of an independent judiciary and robust rule of law capable of resolving disputes fairly and efficiently. Together, these foundations reinforce confidence among firms, investors, and market participants, and continue to strengthen DIFC's attractiveness as a trusted international financial centre.

By continuing to enhance DIFC's regulatory framework and proactively engaging with key stakeholders, we foster trust and confidence, raise awareness of DIFC's industry-leading standards and practices, and help shape the future of the global financial system. Our forward-looking, risk-based, and proportionate policies – combined with our commitment to industry and peer engagement – lay the groundwork for DIFC's continued expansion and the long-term development of Dubai's financial markets.

How are we doing this?

Through consistent dialogue, and optimisation of the regulatory environment

During 2025, the DFSA's secondary objective came into force, providing explicit statutory authority to support the development and growth of the financial services industry in DIFC, provided this does not conflict with our primary objectives of maintaining market confidence, protecting consumers, and reducing financial crime. This legislative milestone formalised what has long been the DFSA's practical approach: viewing regulation not as a constraint, but as a catalyst for sustainable growth and innovation.

The secondary objective enabled the DFSA to take policy and supervisory decisions with explicit consideration of their impact on market development, innovation, and DIFC's competitiveness – ensuring an appropriate balance between robust oversight and enabling innovation and growth.

We are driving sustainable, scalable, and high-quality growth at DIFC by:

- **Adopting a proportionate, risk-based approach to regulation** that emphasises outcomes rather than prescriptive rules, giving firms room to evolve, experiment and pursue expansion within well-defined risk guardrails
- **Engaging in regular dialogue and consultations with the industry** to gain understanding of growth priorities and obstacles – and, where feasible, adjusting policy and regulation in response, in order to create a conducive environment for firms choosing DIFC as their base within the MEASA region
- **Maintaining alignment** with, and contributing to, the development of international standards by exchanging views and knowledge with regulatory peers within the UAE, regionally and globally, in order to ensure Dubai plays an active part in the evolution of the future financial ecosystem

By providing a stable yet supportive regulatory framework that makes DIFC an ideal base from which financial services firms can innovate, grow, expand their capabilities, and build international connections, we are positioning Dubai to capture an even greater share of global financial services activity and innovation.



Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth

What we achieved in 2025

Enabling expansion while managing risks

Throughout 2025, banks, wealth and asset managers, insurers and other firms continued to expand and deepen their presence in DIFC, testifying to the strength of the local financial services industry, and the centre's rising international prominence.

Banking

Strengthening banking resilience amid sustained growth

The combined balance sheets of DIFC banks reached US\$ 251 billion as at Q4 2025, a 19% year on year increase and a 195% increase from year-end 2015. At the same time, the cumulative non-performing loan ratio for all banks fell to a record low of 1.76% (gross) and 0.70% (net), demonstrating that even amid rapid expansion, banks maintained healthy capital positions and quality asset bases.

The Banking Supervision team stepped up on-site supervisory activities throughout the year to ensure the integrity of banks and the wider DIFC banking system, developing early responses to evolving risks. Numerous meetings were held with banks from various jurisdictions seeking authorisation to operate from DIFC, and one new Category 1 licence was granted to a prominent Kuwaiti bank, which has ambitious plans for expansion in DIFC.

The team also engaged actively with the home regulatory authorities of regional and international banks in DIFC through bilateral meetings and participation in wider forums and crisis management groups. Notably, in May 2025, the DFSA hosted its inaugural Regulatory College

during the Dubai FinTech Summit in DIFC, bringing together more than 30 regulators and representatives from 18 authorities to discuss emerging risks relating to artificial intelligence and cybersecurity in financial services. The forum promoted supervisory cooperation, knowledge-sharing, and greater alignment on regulatory expectations, while reinforcing DIFC's role as a leading platform for regional regulatory dialogue and cross-border supervisory collaboration.

Wealth and Asset Management

Robust growth with comprehensive oversight

DIFC also saw robust growth in wealth and asset management in 2025, supported by comprehensive oversight and favourable policy changes. Well over 300 wealth management firms are now resident at the centre. DIFC has also become a top-five global hub for hedge funds, with the number registered in the centre doubling in 2025, including two of the world's largest. These developments not only contributed to DIFC's diversity, but attracted more clients, capital, and talent, developing Dubai's wider financial ecosystem in a virtuous cycle.

"Strong and sustainable growth depends on maintaining high standards of governance, risk management, and oversight as firms expand. Effective supervision helps ensure that innovation and growth take place within a resilient and trusted financial ecosystem."

Justin Baldacchino, Managing Director, Supervision



The Supervision teams ramped up work and engagement in line with this expansion. Initiatives throughout 2025 included:

Thematic reviews

Comprehensive reviews covering whistleblowing, fund management self-custody arrangements, and high-growth firms – accompanied by well-attended outreach sessions that shared findings and good practices

Newly Authorised Firms engagement

A series of outreach sessions for newly Authorised Firms in which supervisors shared insights on common pitfalls and best practices to help recent arrivals establish robust compliance foundations

Anti-money laundering (AML) risk assessments

AML risk assessments on wealth management, brokerage, crowdfunding, and other regulated firms, complemented by reviews of targeted financial sanctions (TFS) compliance in the insurance sector and compliance among Money Laundering Reporting Officers, with continuous professional development requirements

National AML coordination

Active support for national AML compliance efforts, including participation in reviews of proliferation financing risk and AML legislation, together with intensive preparations for the Financial Action Task Force (FATF) Mutual Evaluation of the UAE scheduled for mid-2026



Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth

Insurance

Supporting insurance sector expansion with strong prudential oversight

Momentum was also evident in the insurance sector throughout 2025, spanning reinsurers, captives, underwriters, brokers, and new entrants with innovative offerings. As at 31 December 2025, the aggregate Gross Written Premium (GWP) generated in DIFC during the year reached record highs, with US\$ 4.24 billion generated by reinsurers and reinsurance underwriters, and US\$ 3.38 billion by insurance brokers, reinforcing DIFC's position as a leading regional insurance and reinsurance hub.

Throughout the year, the Insurance Supervision team continued to refine its risk-based approach, conducting frequent on-site risk assessments of higher-impact firms and assessing governance and control frameworks around underwriting, handling of funds, and information disclosure. Adjustments to the captive business model were instituted to enhance its risk-based focus by modifying requirements for branches, reinforcing the sector's overall resilience.

We were also active on the actuarial front – providing keynote addresses and insights at the Arab Actuarial Conference 2025, and other related key panels and events throughout the year.

Audit

Strengthening professional standards

Conscious of the strong development of the audit profession in DIFC in recent years, in 2025 the DFSA approved the region's first third-party investment into a registered auditor – a milestone demonstrating the sector's maturity and attractiveness to institutional capital, whilst requiring robust regulatory oversight in order to ensure that audit quality remains paramount.

We also introduced a requirement for listed company auditors to issue transparency reports to ensure that pertinent information is provided to audit committees and the wider community. The first such requirement imposed by a regulatory authority in the UAE, this move highlighted DIFC's active engagement with the evolving audit landscape and ensured that the focus on audit quality is maintained and prioritised.

Enforcement

Reinforcing market integrity and protecting the wider community

The enforcement approach prioritises building trust and credibility in DIFC's regulatory framework; enhancing market integrity through deterrence and accountability; deterring misconduct via visible and proportionate consequences; supporting regulatory efficiency by placing resources where they matter the most; aligning

with global standards in enforcement practices; and protecting stakeholders, including investors, firms, and the broader community.

2025 was an active year for the DFSA's Enforcement team, which worked on a total of 17 investigations – eight of which were new – and concluded seven. These spanned unlicensed activities and false claims of being authorised by the DFSA; system and control failures; breaches of DFSA principles; and misleading investors and the general public. One focus was alleged 'bait-and-switch' activity, in which DIFC-based firms referred investors to related firms in poorly regulated jurisdictions.

The DFSA also fielded a total of 705 complaints in 2025, representing a 5% increase from 2024. Over half of these concerned firms, individuals, and/or the promotion of scams falling outside the DFSA's jurisdiction. Testifying to DFSA's efficiency and determination to respond, 81% of all complaints received regarding firms or individuals within DFSA's jurisdiction were assessed and finalised within 28 days of receipt.

The DFSA took enforcement action against one individual for failing to act with integrity or exercise due skill, care, and diligence, barring the person concerned from performing any functions in connection with the provision of financial services in or from DIFC.

The Enforcement team kept a keen eye on trends, such as the prevalence of Ponzi schemes and scams involving cloning or identity theft. Given the cross-jurisdictional nature of much of the misconduct affecting DIFC, the DFSA redoubled efforts to collaborate with local, regional, and international regulators, and to contribute to international standard-setting bodies.

Close coordination within the DFSA, and communication with the wider industry, remained another priority in order to develop and implement policy and regulation that preserves DIFC's reputation for transparency and integrity, whilst supporting the industry's growth. In this regard, Enforcement joined industry outreach sessions to provide clear guidance on emerging governance and conduct issues, and to outline paths to improvement. This proactive and cooperative approach ensured that DIFC retained its reputation as a safe and well-regulated financial centre, underpinning the market's long-term growth and resilience.

Consumer protection and scam awareness

The DFSA issued 49 consumer alerts in 2025 – a 69% increase from the 29 issued in 2024. This heightened activity reflected both increased scam attempts targeting DIFC's brand and the DFSA's active stance on protecting consumers and maintaining market integrity.

Responsive regulation based on new market realities

2025 was defined by multiple initiatives to improve engagement with the market and Authorised Firms, and to adjust regulation to reduce unnecessary barriers and enable new business models, further contributing to the broadening and deepening of DIFC.



“Rather than emphasising past lapses, we try to encourage firms to look forward and be proactive regarding their regulatory obligations. There’s a lot of care and attention given to consulting the market on where things like governance should be going, and what more we could be doing in terms of providing guidance and communicating expectations.”

Alan Linning, Managing Director, Enforcement

Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth

Enhanced consultation transparency

Along with conducting frequent, structured industry outreach sessions briefing industry representatives on important topics such as AML controls, the DFSA's Policy and Legal team introduced major changes to the consultation process for regulatory updates to enhance dialogue with the market and visibility over decision-making.

Previously, public consultations solicited feedback on planned regulatory amendments and considered responses before finalising and publishing new rules; however, the way in which market feedback was considered, acted on, and/or reflected in the rules was not made public.

This process changed with the rollout of new feedback statements, which contain details of the DFSA's views on, and responses to, relevant industry feedback, and which explain how these have been factored into the policymaking process. This represented a major advance in transparency and underscored the DFSA's commitment to ensuring that policy is crafted in a way that takes into account industry context and challenges.

Strengthening dialogue and supervisory transparency

In November 2025, the DFSA hosted its Annual Outreach session, bringing together more than 500 senior executive officers, compliance and legal professionals, and money laundering reporting officers from across the Banking, Wealth and Asset Management, Capital Markets and fintech sectors within DIFC. The session provided updates on the DFSA's supervisory priorities and regulatory expectations across areas including governance, artificial intelligence oversight, financial crime controls, cyber risk, and compliance standards, reinforcing the DFSA's commitment to transparency, proactive industry engagement, and risk-based supervision amid the rapid growth of DIFC's financial ecosystem.

Supervisory guidelines

Throughout 2025, the Policy and Legal team published supervisory guidelines covering matters such as crypto tokens and operational resilience.

Rather than highly prescriptive rules, these guidelines are principles-based and designed to communicate the DFSA's expectations, giving the market a clear sense of general responsibilities and best practices whilst allowing for a flexible regulatory approach that can react to market changes in an agile manner.

Strategic growth initiative

In support of the DFSA's refreshed strategy and broader cross-cutting initiatives, a DFSA-wide project led by the General Counsel was launched in 2025 to explore opportunities to further support the growth of the financial services sector. This underlined the DFSA's belief that the role of the General Counsel extends well beyond managing legal risks to encompass creating conducive and legally sound frameworks for the sustainable growth of all firms in DIFC.

This initiative reframed regulation not as a constraint but as a catalyst – enabling innovation, attracting capital flows and new business models, and strengthening market confidence.

“In the DFSA, the General Counsel is more than a guardian against legal risk; they must be the strategic architect of sustainable growth. By aligning governance and legal strategy with policy vision, fostering open dialogue with the industry, and ensuring clarity, proportionality, and predictability in rulemaking, the General Counsel helps create an environment where firms can innovate responsibly and scale with confidence.”

Muna Dandan, General Counsel and Secretary to the Board

Fund management regime overhaul

Work was already underway to refine aspects of regulation based on evolving international standards, market shifts, and changing industry requirements. In late 2025, led by the Policy and Legal team, the DFSA embarked on a significant overhaul of its regime for fund managers – a market that had seen massive growth and diversification since the regime's last comprehensive update over a decade ago. The initiative is intended to support fund managers in broadening their strategies and activities from DIFC while maintaining appropriate investor protections and risk management standards. The review will continue through 2026, with the revised regime expected to be implemented in phases through 2026 and 2027.

Crypto token regime evolution

Updates to regulations around crypto tokens were finalised in December 2025, coming into effect in January 2026. The new rules will shift responsibility for evaluating the suitability of individual tokens to firms themselves and will remove some thresholds and restrictions for funds investing in these assets, whilst continuing to require robust risk management and adherence to DFSA standards. This evolution will provide greater flexibility for market participants whilst reinforcing investor protection and regulatory clarity in a rapidly developing global market.

Fostering deeper and more diverse capital markets

Developing robust and dynamic capital markets is fundamental to DIFC's long-term success and to establishing the Centre as a comprehensive, world-leading financial hub in line with the Dubai Economic Agenda (D33) and DIFC 2030 strategies. An active and liquid capital market within DIFC serves as the nucleus of a broad financial ecosystem, attracting and retaining brokerage firms and dealers, asset managers, investment banks and underwriters, as well as custodians, research and rating agencies, legal advisors, and corporate issuers.

The DFSA's Markets team supports capital market development by licensing and supervising Authorised Market Institutions (AMIs), assessing applications relating to the use of stablecoins for financial services within DIFC, and recognising members, market operators and clearing houses outside the Centre. The division's Listing Authority approves prospectuses for offers in DIFC, maintains the Official List of Securities, and vets corporate actions and takeovers, as well as the systems and controls of reporting entities.

Recognising the strategic importance of capital markets, the DFSA prioritised three strategic initiatives in 2025 to increase capital market growth and liquidity:

- Supporting the growth of existing DIFC trading venues and attracting new trading venues and market infrastructures to DIFC
- Supporting the growth, deepening, and liquidity of the fixed income market in DIFC
- Enabling capital raising for regional start-ups and ventures, facilitating accessibility to private investments for retail investors, and supporting secondary trading and improved liquidity in DIFC

“Sustainable growth isn't built on undercutting regulations or racing to the bottom. Ultimately, people, firms, and capital want to be somewhere risks are managed properly and the rules are sensible. That's why a risk focus is so important to the DFSA; we have a reputation to uphold – not just for ourselves, but also for DIFC and all the individuals and firms based there.”

Charlotte Robins, Managing Director, Policy and Legal

Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth

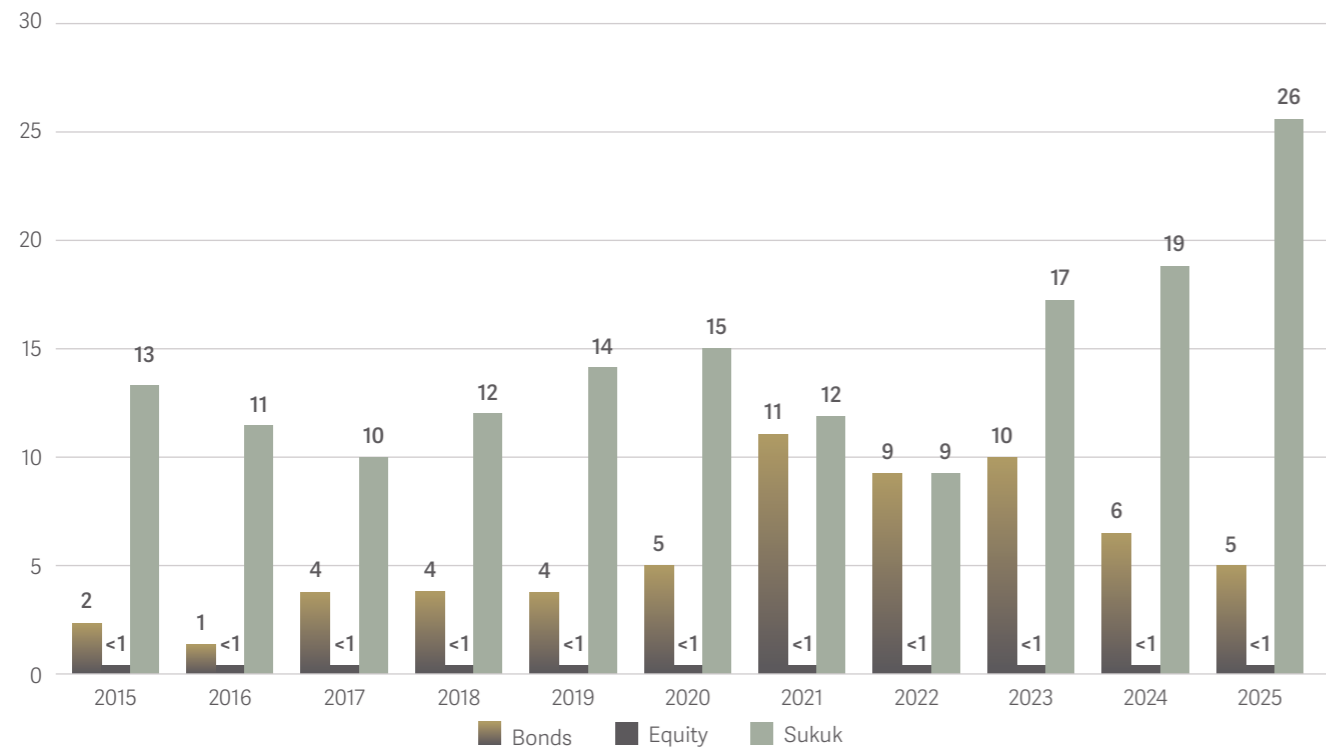
Record listing activity

In 2025, DIFC attracted US\$ 30.6 billion in new debenture listings – a record performance and a 21% year on year increase. This performance

solidified DIFC's status as one of the world's leading jurisdictions for the listing and trading of Sukuk, particularly in the fast-growing Environmental, Social, and Governance (ESG) bond and sukuk segment (see boxout).

Listing value per year by security type (US\$ billion)

As at 31 December



ESG bonds and sukuk:

At the forefront of sustainable finance DIFC continues to rank as a leading regional hub for ESG and sustainable finance in 2025, particularly in the US\$-denominated sukuk segment. Spurred by the catalytic momentum of Expo 2020, DIFC positioned itself as a preferred venue for domestic and global issuers and investors seeking sustainability-linked fundraising opportunities.

The Markets team facilitated the growth of the ESG segment by streamlining relevant issuance processes and disclosures in alignment with International Capital Market Association (ICMA) principles, whilst retaining the flexibility to adopt local standards.

The DFSA strengthened international connections to help channel funding into sustainable development. In November 2025, the DFSA and the Hong Kong Monetary Authority (HKMA) successfully staged their second Joint Climate Finance Conference under the theme of "Transforming Tomorrow: Harnessing Green Finance for Sustainability," aiming to facilitate capital, knowledge, and innovation flows along the expanding Asia-Middle East corridor.

Sukuk strongly correlate with sustainability principles and ESG objectives by design, given their asset-based nature, transparency, and socially grounded structure. Strategically located at the intersection of ESG innovation and Islamic finance, DIFC has emerged as a leading venue for US\$-denominated international sukuk issuance. Recent listings also demonstrate that the Centre is an increasingly attractive hub for the issuance of ESG bonds, including innovative instruments such as blue bonds, which are directed toward ocean conservation and sustainable maritime projects. In 2025, the total outstanding value of ESG-linked debt instruments listed on Nasdaq Dubai exceeded US\$ 30 billion.

The vibrant and growing presence of ESG assets in DIFC capital markets demonstrated how the Centre is reinforcing the United Arab Emirates' Islamic Finance Strategy, which underpins national efforts to integrate Shari'a-compliant finance with broader sustainability and climate objectives, and the Dubai Economic Agenda (D33) and DIFC 2030 strategies, which emphasise the essential link between sustainability and growth.



Strategic Pillar #1: Driving Sustainable, Scalable, and High-Quality Growth

Recognised Bodies and Members

During the year, the DFSA approved three new firms as Recognised Bodies (exchanges, clearing houses, or multilateral trading facilities) – bringing the total to 29. As at year-end, there were a total of 44 Recognised Members of Nasdaq Dubai or the Gulf Mercantile Exchange, the two main exchanges overseen by the DFSA for securities and commodities derivatives, respectively.

Crypto token recognition

In 2025, the DFSA recognised and approved three fiat crypto tokens (stablecoins) for use in financial services: Circle Euro Coin (EURC), Circle USD Coin (USDC), and Ripple USD (RLUSD), providing firms with clarity on which fiat crypto tokens could be utilised within DIFC's regulatory framework.

Market integrity and surveillance

Capital market integrity benefits from the DFSA's zero-tolerance stance on market abuse, with all participants required to promptly notify the DFSA of any suspicious activity. The DFSA encourages Reporting Entities such as securities issuers to voluntarily submit suspicious trade and order report (STOR) notifications. In 2025, the DFSA received 125 securities-related STORs from 11 jurisdictions and shared 94 of these reports with other regulators, demonstrating effective cross-border cooperation in market surveillance.

Retail sukuk: Broadening the market to more retail investors

Traditionally, debt and sukuk issuances have been limited to professional investors, by carrying minimum denominations of US\$ 100,000. However, a market shift occurred in 2025, with some primary dealers (banks) fractionalising bonds and sukuk listed in DIFC in the secondary market, making them available in denominations as low as US\$ 1,000. In October 2025, the United Arab Emirates Ministry of Finance publicly acknowledged and leveraged this fractionalisation approach when issuing its Shari'a-compliant treasury sukuk, with the aim of enabling more citizens and residents to subscribe to the issuance.

Industry engagement and international participation

The DFSA continued to engage with the capital markets industry throughout 2025 to refine best practices and standards in areas including fixed income, Islamic finance, and ESG, ensuring that DIFC capital markets remained competitive and agile in the face of emerging trends. This engagement included active participation in Islamic Finance Consultative Group meetings organised by the International Accounting Standards Board (IASB), and roundtables and events organised by DIFC and other bodies.

DFSA representatives also sit on several International Organization of Securities Commissions (IOSCO) committees focusing on the development and regulation of financial markets and market infrastructure, contributing DIFC's experience to global standard-setting whilst ensuring that DIFC remains aligned with international best practices. The DFSA works to support capital markets innovation by evaluating and preparing for areas of rising interest and potential, such as digitally-enabled bond issuances and retail sukuk (see boxout), which are poised to encourage further market activity and expand the investor base.

The interest surrounding this landmark initiative demonstrated genuine retail appetite for bonds and sukuk, with retail investors keen to participate in issuances when they are made accessible. It also served as a test case of the retail distribution approach and the effectiveness of a network of banks, brokers, and digital platforms in making these assets accessible to retail investors.

The DFSA observed these developments with interest and is evaluating how they could enable private sector issuers to launch retail investor-focused offerings with lower minimum denominations at the primary market level. We are actively reviewing proposals from market participants in this context, with an eye to future opportunities to help democratise and encourage retail participation in Dubai's financial markets.

Our impact

The DFSA's focus on sustainable, scalable, and high-quality growth in 2025 delivered tangible benefits across the financial ecosystem

By balancing innovation with robust oversight, the DFSA continued to enhance market confidence, expand access to capital and investment opportunities, and support the evolution of a more dynamic, resilient, and inclusive financial sector in line with the ambitions of the D33 Agenda. Key outcomes included:

- For **Authorised Firms and new firms seeking authorisation**, more open lines of communication with the DFSA, greater clarity on current and upcoming rules and policies, and further opportunities to play a positive role in the development of regulation around new industry and market trends. The secondary objective's introduction provided explicit statutory recognition that supporting market development is a core DFSA priority
- For **market participants and issuers**, greater flexibility to use innovations such as crypto tokens in market activity; opportunities to tap into new funding sources such as the ESG bond and sukuk market; and the ability to leverage approaches such as fractionalisation to connect with broader investor groups. Record listing activity – US\$ 30.6 billion in new debentures – demonstrated DIFC's growing attractiveness as a capital markets venue
- For **investors**, additional opportunities for market access, potential transparency and efficiency through new instruments and distribution channels, and the ability to engage with DIFC and DIFC-authorized entities with the highest levels of confidence. The expansion of retail sukuk access demonstrated democratisation of investment opportunities previously limited to institutional participants
- For the **community**, the assurance that DIFC retained its integrity and reputation for regulatory transparency and excellence, whilst expanding in a safe and sustainable way. The 69% increase in consumer alerts to 49 in 2025 demonstrated active protection of the public from scams, whilst the 81% complaint resolution rate within 28 days showed efficiency in addressing concerns. These achievements contributed directly to the national goal of making Dubai a top-ranked global financial centre under D33.

MY DFSA STORY



Abdulla Al Nuaimi
Head of Market Engagement
United Arab Emirates

I am responsible for building structured, consistent dialogue with our regulated community. Our mandate is to ensure that the DFSA remains closely connected to market developments, understands stakeholder needs, and supports a regulatory environment that enables sustainable, long term growth. I bring 30 years of experience across the public and private sectors, including executive leadership roles in financial services.

My day-to-day work centres on direct engagement with industry stakeholders. This includes organising sector-specific panels across Banking, Insurance, Wealth and Asset Management, Capital Markets, and Innovation, where we explore market trends, challenges, emerging priorities, and opportunities for growth. I also meet regularly with individual firms to understand their business models, growth plans, and areas where regulatory clarity or support may be helpful. Internally, I work closely across our teams to translate market insights into practical actions that strengthen our regulatory approach and enhance our responsiveness.

What I value most about working at the DFSA, and within DIFC, is the shared sense of purpose. There is a strong commitment to excellence, collaboration, and forward thinking. The environment brings together diverse perspectives while remaining aligned around a common goal: supporting a resilient, innovative, and globally competitive financial ecosystem.

Strategic Pillar #2: Shaping Policy Through Strategic Collaboration

Strengthening regulatory cooperation, nationally, regionally and globally, to deliver clarity and opportunity

What we set out to achieve in 2025

Creating a more coordinated and seamless regulatory environment

As the regulator of Dubai's International Financial Centre, the DFSA has a distinct role in upholding and leading the development and application of international standards. In this role, we work to develop these standards alongside other regulatory colleagues in the UAE, including the Central Bank of the UAE (CBUAE), the Securities and Commodities Authority (SCA, now renamed the Capital Market Authority (CMA) effective 1 January 2026), the Virtual Assets Regulatory Authority (VARA), and Abu Dhabi Global Market's Financial Services Regulatory Authority (ADGM FSRA).

We strive to consistently enhance our policy and regulatory framework, while opening pathways for international firms wishing to operate in DIFC, many of whom are also seeking wider opportunities within the Middle East, Africa, and South Asia (MEASA) region.

In the important mission of advancing regulatory cooperation and connectivity, we are supported by the knowledge and experience of the DFSA Board, whose members have served in senior roles at organisations such as the UK Financial Conduct Authority, European Central Bank and International Organization of Securities Commissions, and have acted as advisors to national governments and policy bodies. Their networks and expertise inform the direction of our regulatory work, helping ensure it reflects both national priorities and the highest international standards, and enhance our contributions to the global dialogue on the future of regulation and supervision.

Why shaping policy through strategic collaboration matters

DIFC – a hub with unrivalled connectivity

Working closely with other financial regulatory authorities in the UAE helps to ensure the coordinated development of the country's financial industry, aligning regulatory approaches and initiatives to advance the country's long-term national interests and shared strategic goals. Meanwhile, efforts to enhance connectivity with other jurisdictions across MEASA, and around the world, are essential to concentrating more capital and activity at DIFC, delivering on the Dubai Economic Agenda (D33) and DIFC 2030 visions of making Dubai a leading international financial services hub.

Through sustained engagement and collaboration with peer regulators, the DFSA supports the harmonisation and consistency of regulation across locations, and helps create networks and mechanisms – such as Memoranda of Understanding (MOUs) and financial services passporting regimes, many examples of which are contained in this report – that foster cross-border business and investment. Such initiatives provide firms with the confidence and clear routes to expand in other jurisdictions, while also enhancing efficiency and access to DIFC for businesses from elsewhere in Dubai, the UAE, and beyond.

In short, jurisdictional cooperation strengthens DIFC's position within a more integrated and predictable financial landscape, lowering friction while ensuring that robust regulatory standards are maintained.

How are we doing this?

Through a dedicated, tactical and multi-dimensional approach to engagement

We are increasing outreach to, and coordination with, regulatory peers and standard-setting bodies, and ensuring dialogue delivers outcomes, by:

- Actively partnering with national bodies to facilitate cooperation between regulatory authorities, maintain the integrity of the financial system, and ensure the financial sector contributes to sustainable economic development
- Deepening relations with other regulators across the Gulf Cooperation Council (GCC) countries and the wider Middle East, through high-level meetings and regular exchanges of information: with regional central banks such as the Central Bank of Oman; with financial services authorities via the Union of Arab Securities Authorities (UASA); and via membership of wider regional forums such as the IOSCO Africa and Middle East Regional Committee (AMERC)
- Exploring cooperation agreements, passporting, and mutual recognition regimes to reduce regulatory barriers and enhance market access; and by contributing to the efforts of leading international bodies such as IOSCO to develop and harmonise regulatory standards
- Strengthening outreach and engagement with industry through trade bodies such as the Alternative Investment Management Association (AIMA) and Managed Funds Association (MFA), to source better market intelligence, identify new risks, and support firms' growth plans as they seek to develop new markets and services

By engaging with other authorities, policymakers, and industry representatives at multiple levels, we cultivate a more coherent approach to regulation and the management of risk; we help open new markets and investment corridors; and we ensure DIFC is perceived as an active and positive force in the development of the financial services industry.

What we achieved in 2025

Ensuring regulation reflects market trends and industry needs

The DFSA moved throughout 2025 to update and adjust regulatory frameworks to take market developments and industry feedback into account. Key regulatory developments:

- CP 157 (Fees) – Amendments to legislation in January 2025 following Consultation Paper No. 157, to amend regulatory fees charged to firms under DFSA registration and oversight
- CP 159 (IRRB) – Amendments to legislation in April 2025 following Consultation Paper No. 159, updated the treatment of Interest Rate Risk in the Banking Book and Risk Appetite Statement, required firms to develop and maintain risk appetite statements
- CP 162 (Statutory Objectives) – Amendments to legislation in October 2025 following Consultation Paper No. 162, designed to introduce a secondary objective to support the development of DIFC's financial services sector while clarifying the application of existing objectives and maintaining financial stability and investor protection
- CP 166 (Offers of Securities) – Amendments to legislation in December 2025 after due consideration of comments on Consultation Paper No. 166, aimed at streamlining the regime by narrowing its application to offers made "in" DIFC and reducing unnecessary regulatory duplication for offers made outside DIFC

These enhancements have enabled the DFSA and DIFC to maintain an appropriate balance between policy and regulation, supporting growth and innovation while safeguarding market integrity and effectively managing risks.

Strategic Pillar #2: Shaping Policy Through Strategic Collaboration

Collaborating with regulatory counterparts and national bodies

Throughout 2025, the DFSA deepened collaboration with other regulators and authorities, playing an integral role in the oversight and growth of financial services in the UAE by:

- Continuing to serve as a member of the UAE Financial Stability Council (FSC), which aims to promote and protect financial stability at a national level. The Council provides a platform for regulatory authorities throughout the UAE to coordinate efforts in identifying and managing risks, strengthening discipline and resilience within the financial system, and ensuring alignment with the national objective of sustainable economic development
- Contributing to the Higher Committee for the Development of the Economic and Financial Sector in Dubai, the Prime Minister's Office Project and various national working groups aimed at fostering harmonisation in financial services, of which the DFSA Managing Director of Policy and Legal is an active member, thereby strengthening linkages between national and DFSA policies
- Supporting national efforts to reinforce approaches to anti-money laundering and fighting financial crime, including preparations for the Financial Action Task Force (FATF) Mutual Evaluation of the country's AML/counter-terrorist financing (CTF) system, which will take place in mid-2026. The DFSA participated in updates to the UAE proliferation financing risk assessment, and legal persons and arrangements risk assessment, as well as the review of proposed amendments to federal AML legislation and the national AML statistics database, and launched a consultation on corresponding updates to our regulatory framework
- Concluding MOUs with other regulators on priority areas including digital assets and auditor oversight (see boxout)
- Participating in educational and outreach initiatives that demonstrated the shared commitment of the DFSA and regulators across the UAE to advance innovation and remain at the forefront of emerging industry trends. These included the DFSA's inaugural Regulatory College on AI and cybersecurity risks in May 2025, which involved the participation of five national regulators, 18 international authorities, and over 70 delegates and speakers from industry and academia; and the TradeTech initiative

encouraging innovation in trade finance, along with other national regulators, the Ministry of Economy and the World Economic Forum

- Adopting coordinated approaches to supervision and enforcement with other national authorities, including with the CBUAE on matters related to macroprudential regulation and banks operating in both DIFC and onshore UAE; and agencies such as the SCA (now the CMA) and Dubai Police on monitoring, identifying and taking action against individuals or firms engaged in unauthorised or illicit activities across jurisdictions
- Contributing to a new Dubai Financial Services Unified Guidebook, published by Dubai's Department of Economy and Tourism (DET) in June 2025. Also supported by DIFC, VARA, Nasdaq Dubai, Dubai Financial Market, and Al Tamimi & Co, the guidebook offers a clear and consolidated view of Dubai's financial services landscape, helping businesses identify relevant jurisdictions and regulatory bodies as they consider establishing or expanding operations in the Emirate. By showcasing Dubai's pro-business regulatory environment and the strength of coordination between regulators, the guidebook promotes Dubai's position as a global hub for finance, fintech, and digital assets, as envisioned in the Dubai Economic Agenda (D33)



Formalising cooperation for market growth and integrity

Memoranda of understanding (MOUs) are an essential tool in creating formal frameworks for collaboration between the DFSA and other regulatory authorities. By establishing parity, they create paths to share information and resources, align parties on shared goals, and create roadmaps for coordinated action in the future. This cooperation, together with the information gleaned through MOUs, also helps inform future policy direction, by providing new benchmarks and insights.

The International Relations team is responsible for negotiating and finalising all MOUs, which are also reviewed by the DFSA's General Counsel. At year-end 2025, the DFSA had signed 120 bilateral MOUs, five multilateral MOUs, and eight innovation agreements. These included three new MOUs concluded over the year:

- In September 2025, the DFSA entered into an MOU with the Securities and Futures Commission (SFC) of Hong Kong on the supervision of cross-border investment management. Signed by the Chief Executives of the SFC and the DFSA at the 10th Belt and Road Summit in Hong Kong, the MOU establishes a collaborative framework for consultation, cooperation, and information exchange to enhance both regulators' supervision and oversight of regulated entities engaging in cross-border investment management or advisory activities. The MOU represents the fruit of multiple previous joint collaborative efforts by the SFC and the DFSA, including

a high-level meeting and a co-hosted roundtable with leading asset managers in Hong Kong, and highlights the growing collaboration among jurisdictions along the infrastructure and investment corridor envisioned in China's Belt and Road Initiative

- In October 2025, at GITEX Global in Dubai, the world's largest tech and start-up event, the DFSA signed an MOU with the Virtual Assets Regulatory Authority (VARA), the specialist regulator responsible for regulating and overseeing the digital assets sector in Dubai and its free zones excluding DIFC. The MOU provides a framework for collaboration between the two regulators, who agreed to strengthen cooperation on licensing, supervision, and enforcement matters; support efforts to combat money laundering, terrorism financing, and proliferation financing; and facilitate the exchange of information to promote transparency and trust across Dubai's financial and digital asset markets
- Also in October 2025, the DFSA concluded an MOU with the SCA (now the CMA) aimed at enhancing audit oversight and mutual regulatory cooperation in a time of rapid growth and increasing complexity in financial markets. The agreement is designed to strengthen regulatory oversight of the audit function, and will see the regulators share expertise to improve firm registration and inspection, financial reporting, and overall market integrity, boosting investor confidence in the local financial sector

Strategic Pillar #2:

Shaping Policy Through Strategic Collaboration

Deepening regional engagement

In 2025 the DFSA deepened engagement with its counterparts in the GCC and MEASA, through activities and forums including:

- Participation in the IOSCO AMERC committee, of which DFSA is a member and is represented by the Chief Executive
- Membership of UASA, where the DFSA took part in UASA's 19th Annual Board Meeting, held in virtual format in April 2025, and in multiple bilateral meetings throughout the year, independently and on the sidelines of regional events. In April 2025 the DFSA hosted a Regulatory Insights Session for UASA where the team presented the DFSA's end-to-end approach to innovation, including regulatory enablement, supervisory practices, and the DFSA's role in supporting emerging financial technologies
- A GCC Tour in November 2025, during which the DFSA Chairman and Chief Executive visited Muscat for meetings with the Central Bank of Oman and Oman Financial Services Authority
- Bilateral knowledge-building initiatives, such as a Study Tour staged in December 2025 for the Astana Financial Services Authority

Expanding global partnerships and influence

Throughout 2025, the DFSA maintained its focus on building trust and confidence with a wide network of global regulators to foster cooperation and information-sharing – a vital process for effective oversight of the many firms engaged in cross-border activities at DIFC.

These efforts included productive engagements between the DFSA's Chairman and Chief Executive, and their regional and international

counterparts. The DFSA's Chief Executive and senior management conducted multiple high-level bilateral meetings in Dubai, hosting a range of national authorities, such as the Kenyan National Treasury, Indonesia Financial Services Authority, and Securities Commission of the Bahamas; international organisations like the International Monetary Fund (IMF) and International Auditing and Assurance Standards Board (IAASB); and industry delegations involving firms such as Bloomberg LP and the Industrial and Commercial Bank of China.

The conclusion of an MOU with Hong Kong's SFC and a joint sustainability event with the Hong Kong Monetary Authority (HKMA) highlighted the DFSA's focus on forging relationships across the fast-growing Middle East-Asia trade and investment corridor.

Through active membership of international organisations which leverage the expertise of our Policy & Legal and Supervision teams, throughout the year we contributed to efforts to develop harmonised approaches to financial regulation and supervision, ensuring the DFSA and DIFC help define evolving global standards:

- As a member of the Basel Committee for Banking Supervision (BCBS), the Banking Supervision team successfully completed the implementation of a comprehensive action plan to update supervisory standards and practices in line with the 2024 revised Core Principles for Effective Banking Supervision ("Core Principles") of the BCBS
- As a member of the International Association of Insurance Supervisors (IAIS), the DFSA participated in supervisory colleges for internationally active insurance groups, and collaborated in working groups and peer reviews

"We've spent a lot of time building solid partnerships with other UAE peer regulators – at both the authorisation and supervisory levels – helping to ensure a coordinated, consistent approach to regulation that supports market integrity and the development of the financial sector. We now have very clear, integrated channels between us that ensure information and intelligence-sharing is seamless. Over time, we'll be looking at policies, organisation structures, roles and responsibilities to ensure processes are even smoother and more carefully mapped. This contributes to our effectiveness as regulators, as well as to the strength of the ecosystem and the benefits for the broader community."

Juma Alhameli, Chief Operating Officer



- The DFSA joined other leading financial regulators and engaged practitioners to share intelligence on supervisory technology from across the industry, as part of the Bank for International Settlements' (BIS) informal supervisory technology (SupTech) Group
- In February 2025, the DFSA hosted the Chairs of the IAASB and the International Ethics Standards Board for Accountants. This outreach delivered insights directly to the local audit community, and showcased our continued engagement with international standard-setters
- The DFSA participated in the MENA Connect event hosted by the International Federation of Accountants and an audit quality event hosted by the Forum of Firms, and continued to actively contribute to the International Forum of Independent Audit Regulators inspection survey and plenary meetings with six of the world's largest audit networks
- DFSA representatives sat on multiple IOSCO Committees, including the Committee on the Regulation of Secondary Markets (Committee 2), which sets international standards for financial market infrastructure; and the Derivatives Committee (Committee 7), which focuses on derivatives markets. By sharing in the work undertaken by the IOSCO Screening Group, Committee 4 (Enforcement) and the Multilateral Memorandum of Understanding Monitoring Group, we supported efforts to advance international enforcement, and exchanged pertinent information with a number of IOSCO members

The depth and breadth of the DFSA's international relationships ensures we help drive the evolution of policy and regulation at a global level. This enhances DIFC's prominence and reputation as a progressive, well-regulated, and highly connected financial hub.

Advancing sustainability as a national priority

In line with the Dubai Economic Agenda D33 and DIFC 2030 Strategy, fostering sustainable growth is a strategic priority for the DFSA. Our updated Business Plan released in 2025 includes a Sustainable Finance Roadmap that emphasises collaborating with international standard-setting and climate-focused bodies, and working alongside other UAE financial regulators and government agencies to develop a nationwide approach to climate risk management, transition planning, and sustainability standards. In 2025 we engaged in multiple initiatives to further these goals and ensure our regulatory approach facilitates the growth of sustainable assets in DIFC.

As a founding member of the UAE Sustainable Finance Working Group (SFWG) – comprising the CBUAE, SCA (now CMA), DFSA, and ADGM FSRA – the DFSA played a central role in advancing the national sustainable finance agenda. The SFWG coordinates national efforts to develop consistent approaches to climate-related financial risks, sustainability disclosures, and taxonomy development.

Strategic Pillar #2: Shaping Policy Through Strategic Collaboration

In July 2025, the SFWG launched a public consultation on Principles for Climate Transition Planning, designed to help financial institutions develop credible, transparent, and effective climate transition plans. Building on previous risk management and disclosure principles developed by the SFWG, the draft Principles covered eight key areas, including setting transition objectives; governance; integration into strategy and risk management; metrics and targets; data and customer engagement; reporting and transparency; implementation; and review processes.

In December 2025, the SFWG published its Fourth Statement on Sustainable Finance, outlining progress across four workstreams:

- **Sustainability-related corporate governance**, which provides a comprehensive approach for integrating climate risks into financial institutions' business strategies and risk management frameworks
- **Sustainability-related disclosures**, to enhance transparency and consistency in ESG reporting at both the entity and product levels and to ensure alignment with global standards, including those of the International Sustainability Standards Board (ISSB)

- **Design of a UAE Sustainable Finance Taxonomy**, tailored to UAE market needs while ensuring interoperability at the international level
- **Climate transition planning**, including new Climate Transition Planning Principles based on the 2025 consultation exercise that provide a structured framework for UAE financial institutions and corporates to prepare, govern, and disclose credible information on climate transition strategies. The Principles provide a firm national reference framework, grounded in data collection and analysis, to embed sustainability considerations across financial services firms and markets. They also aim to direct financial flows toward activities that are both aligned with the UAE's climate objectives, and reflect global best practices

The DFSA's active participation in the SFWG has ensured DIFC firms benefit from clear, consistent guidance aligned with international benchmarks, while drawing on DIFC's unique experience as an international financial centre and global hub for sustainable assets to inform national policy development.



Mobilising sustainable finance across borders

The second edition of our joint Climate Finance Conference, co-hosted in November 2025 with the Hong Kong Monetary Authority (HKMA), was a standout example of DFSA's intensification of bilateral engagement with international regulators, the growing focus on Asia, and our commitment to growing the UAE's sustainable finance sector.

Held for the first time in DIFC under the theme of "Transforming Tomorrow: Harnessing Green Finance for Sustainability," the conference was supported by strategic partners including the DIFC Authority, Nasdaq Dubai, and Hong Kong Exchanges and Clearing, and featured leading figures in business, commerce and financial services from across the Asia Pacific (APAC) and Middle East and North Africa (MENA) regions. The event attracted almost 250 participants, underscoring its role as a premier platform for cross-industry dialogue and insights on sustainable and responsible investment.

The 2025 conference focused on the financial risks arising from climate change and innovation. Participants engaged in a series of dynamic discussions on how the two regions can leverage their respective strengths in finance and technology to collaborate on the development and deployment of products and solutions that facilitate energy transition and other sustainable development goals. The event also provided a deep dive into a new research report

produced jointly by the DFSA and HKMA, "Scaling Sustainable Debt in Emerging Markets", which explored the growth potential for sustainable bonds and sukuk across MENA and APAC and proposed strategies to unlock that potential, such as targeted government support and expanding past the 'green' label.

The DFSA Chief Executive Mark Steward remarked that, more than an event, the conference served as a "call to action" to realise one of the main ambitions of the Dubai Economic Agenda 2033: advancing sustainable finance and innovation on a global scale. The conference, and the ongoing partnership between the DFSA and HKMA, further demonstrates the power of the emerging Asia-Middle East Corridor in facilitating capital and knowledge flows to support sustainable development, and the growth of both Hong Kong and Dubai as leading global centres of innovation.

The conference also discussed insights from a joint HKMA and DFSA research report with knowledge partner BloombergNEF, titled "Scaling Sustainable Debt in Emerging Markets." The report presented key findings on the potential of labelled debt, including green, blue, social, and sustainability-linked bonds, to facilitate sustainable development in emerging markets. By providing recommendations on policies and mechanisms that can foster the growth of sustainable assets, the research highlights the DFSA and DIFC's commitment to advancing sustainable finance globally.

MY DFSA STORY



Manuela Zweimueller

Associate Director, Insurance Supervision Germany

As a relatively new joiner to the DFSA, I was overwhelmed by the welcoming culture and quick integration. My team and I oversee a vibrant (re)insurance ecosystem in a financial hub connecting Europe, Asia, and Africa. In Insurance Supervision, we aim to secure the financial health of our firms and ensure market resilience and integrity, while enabling innovation.

A typical day brings a broad array of activities, for example starting with a complex change in ownership request, followed by a quick chat with auditors or compliance officers, continuing with meetings with firms, analysing market data, contributing to DFSA's strategy by rethinking supervisory processes, and ending with engagement sessions for market participants to convey the DFSA's expectations or collaborating with international supervisors.

I enjoy working at the DFSA because of its truly international workforce, the professionalism of my colleagues, and the value placed on experience and expertise. The environment is energetic, collaborative, and driven by a strong "can-do" attitude.

Fostering a global centre for Islamic finance

During the year, the DFSA directed policy and regulatory collaboration to further the growth of Islamic finance in DIFC, and the UAE as a whole. We deployed resources to support the UAE Strategy for Islamic Finance and Halal Industry approved by the Cabinet in May 2025, which makes developing the UAE Islamic finance sector and leading Islamic finance activities globally national priorities.

The strategy aims to increase the assets of the UAE's Islamic banks from AED 986 billion to AED 2.56 trillion, and raise the value of listed Islamic sukuk in the UAE to over AED 660 billion by 2031. As a leading global centre for sukuk and ESG sukuk issuance via Nasdaq Dubai, DIFC will play an integral part in realising this vision.

We have helped spearhead the implementation of this key national initiative by being appointed in 2025 to lead the Islamic Finance Sub-committee formed under the strategy. The DFSA is working to adjust its Islamic finance regulatory framework to give firms clarity on rules and standards as activity in this vital sector expands.

The DFSA has also encouraged the development of Islamic finance internationally through participation in Islamic Finance Consultative Group meetings organised by the International Accounting Standards Board, as well as various roundtables and events convened by DIFC and other bodies.

Our impact

- For **Authorised Firms**, smoother market access, and the ability to use the DIFC base to connect seamlessly with other jurisdictions locally, regionally and globally through a growing network of mutual recognition and passporting arrangements
- For **new firms** seeking authorisation, the ability to 'plug and play' thanks to a regulatory regime that reflects international standards, and constantly evolves to enhance clarity and account for changes in the global environment
- For **investors**, the ability to access a wider range of opportunities through a more seamless, predictable, and well-regulated environment across the UAE's financial services system, reinforced by robust investment protection; and via new pathways to other jurisdictions and regions
- For **colleagues**, opportunities to share knowledge with, and learn from, regulatory peers globally, and to play an active role in building a stronger financial system nationally, regionally and internationally
- For the **community**, enhanced market confidence, rooted in the assurance that there is a comprehensive and integrated approach to preserving the safety and integrity of the local and national financial ecosystem, and that DIFC is developing into a sustainable global financial centre as outlined in the Dubai Economic Vision 2033 (D33) and DIFC 2030 strategies

"One of the great things about the modern era of regulation is the mechanisms that have been put in place between regulators to exchange information, which have made a huge difference in intelligence gathering, information sharing and enforcement action. Because we have structures now under the banner of international organisations or mutual Memoranda of Understanding, coordination takes place quite freely and quickly. That makes a huge difference to enforcement, and is why we're always working to strengthen those structures further."

Alan Linning, Managing Director, Enforcement



Strategic Pillar #3: Innovating Responsibly and Managing Risk

An innovation-first mindset that builds forward-looking regulatory frameworks, allowing for the use of emerging technologies and next-generation business models while safeguarding market integrity

What we set out to achieve in 2025

Driving progress, not just keeping up with it

Throughout 2025, the DFSA updated its regulatory approaches and refreshed its risk appetite to support new firms, platforms, and issuers; to anticipate future trends and market shifts; and to ensure DIFC continues to evolve into a global hub for safe and sustainable financial services innovation.

This strategy reflected our commitment to creating regulatory frameworks that do not simply keep pace with market developments, but actively shape them. In a year when 96 firms from six jurisdictions expressed interest in our tokenisation sandbox, when AI adoption among DIFC firms surged to 52%, and when the financial services industry accelerated its digital transformation, the DFSA's role as an innovation enabler proved more critical than ever.

Why innovating responsibly and managing risk matters

Shaping a future-ready DIFC and resilient local financial ecosystem

The financial services industry has undergone significant transformation, with technological advances reshaping processes and driving greater efficiencies across business models. As a forward-looking regulator, it is the DFSA's responsibility for ensuring that its rules and standards evolve in line with these developments, supporting innovation-led growth while appropriately managing the associated risks.

By designing risk-based, proportionate, and adaptable frameworks, the DFSA operates at the intersection of trust and transformation, demonstrating that effective regulation can do more than safeguard markets – it can help shape the future of financial services. Looking ahead, as technologies such as distributed ledger technology and AI continue to gain traction in the market, the role of regulation will become increasingly critical, not only in safeguarding markets, but in enabling innovation to scale with confidence.

By continuing to evolve our frameworks, deepen collaboration with industry players and local, regional, and international peers, and invest in digital capabilities, the DFSA is supporting the next phase of financial innovation – ensuring that new ideas can be developed, tested, and brought to market within a clear, trusted, and globally connected regulatory environment.

As financial services continue to evolve, the ability to balance innovation with trust will define the next generation of global financial centres. Dubai's model, anchored by DIFC and enabled by the DFSA's forward-looking, risk-based approach to regulation, illustrates how this balance can be achieved in practice.

How are we doing this?

Developing forward-facing regulation – thoughtfully, safely, and responsibly

We are encouraging responsible innovation within the DFSA and in DIFC by:

- Creating balanced, effective regimes for fast-developing markets such as digital assets, providing flexibility for market participants while reinforcing investor protection and regulatory clarity
- Helping firms translate ambition into practice through regulatory sandboxes that allow them to experiment with, and scale, emerging technologies, innovative products and services, and new business models, within trusted regulatory boundaries
- Strengthening engagement with firms and other ecosystem participants, and stepping up information sharing to assess and respond to the needs of new business models, supporting their sustainable growth
- Engaging in-depth research, training and educational initiatives to assess the risks emerging around innovation in financial services, and enhance readiness internally, locally, and internationally

These priorities ensure the DFSA's operations and the regulatory framework governing DIFC serve the needs of a world in which finance and technology are increasingly converging, creating new risks as well as unprecedented opportunities for efficiency and growth.

What we achieved in 2025

Policy updates that reflect emerging trends

The DFSA continuously calibrates regulation and risk controls to take into account new technologies, solutions, and business models that see steady adoption and demonstrate significant long-term potential. We take the view that firms should be provided both the space to harness innovation for growth, and clear guidelines to ensure they do so safely and responsibly.

The pioneering digital asset regime introduced in DIFC in 2022, already widely recognised as one of the most comprehensive and progressive of its kind globally, was further advanced in October 2025, when the DFSA issued comprehensive updates regarding the regulation of crypto tokens in DIFC. Taking effect in January 2026, the updates mark a significant step towards a more mature regulatory framework, shaped by extensive supervisory experience and market engagement.

The new updates introduce a shift to a firm-led assessment model, where Authorised Firms are responsible for assessing the suitability of the tokens they use, supported by strengthened governance, disclosure, and risk management requirements.

The change provides a simpler and more predictable path for businesses operating or seeking to operate in DIFC to explore crypto token activities, while also introducing enhanced safeguards for investors and proportionate reporting requirements. The new rules underscore the DFSA's commitment to the continued development of a safe, well-regulated, and world-leading digital assets ecosystem at DIFC.

Providing dedicated space for experimentation

In May 2025 we enhanced the DFSA's Innovation Testing Licence programme – our version of a regulatory sandbox – with a comprehensive new Explainer guide (see boxout). In addition, after hosting an industry roundtable to discuss the emergence of tokenised investments and business models that drew a strong response, the DFSA launched a call for expressions of interest for its Tokenisation Regulatory Sandbox.

This sandbox is designed specifically for firms engaged in tokenisation-related financial services, including those issuing, trading, holding, or settling tokenised assets such as equities, bonds and sukuk, as well as existing DFSA Authorised Firms considering expanding into tokenisation. Close to 100 firms globally, with a diverse range of business models, expressed interest in applying for the programme, among them companies involved in the tokenisation of shares, bonds, and units in a fund, and in the trading and safe custody of such tokens.

By providing a secure environment for the testing of tokenised financial solutions, and a clear route to full authorisation and commercialisation for solutions deemed viable, the DFSA is working to unlock the potential of tokenisation in making a wider range of assets accessible to more investor groups. The expansion of the scope of the sandbox is another example of how the DFSA is reinforcing DIFC's, Dubai's, and the UAE's position as the leading global hub for digital finance.

Strategic Pillar #3: Innovating Responsibly and Managing Risk

The definitive guide to the DFSA Innovation Testing Licence

Launched in 2017, the Innovation Testing Licence programme offers a restricted financial services licence that allows eligible firms to experiment with new financial products, services, and business models within a controlled environment. Licence holders can conduct live testing with customers under defined parameters for up to 24 months, while remaining subject to close supervisory oversight.

At the end of the testing period, firms may apply to remove restrictions and transition to a full financial services licence, subject to achieving their regulatory test plan objectives and meeting the DFSA's regulatory requirements. The programme has remained a cornerstone of our approach to supporting the development of fintech solutions in DIFC and serves several important functions in the innovation ecosystem:

- It reduces regulatory uncertainty for start-ups. Fintech entrepreneurs often face complex regulatory frameworks that can delay product development and market entry. By allowing testing within

a controlled regulatory environment, the Innovation Testing Licence helps them understand compliance requirements early in their development cycle

- It helps innovations reach the market faster by streamlining the authorisation process
- It enhances collaboration between firms and the DFSA, enabling firms to gain clarity on compliance expectations early while supporting supervisory understanding

Since its launch eight years ago, approximately 150 firms have applied to the programme with 67 accepted, and 70% progressing successfully through testing.

The Innovation Testing License Explainer guide published in May 2025 offers specific and accessible advice on how to utilise the programme's structure to test and validate new solutions, and navigate the path to full authorisation. The guide walks users through the purpose of the licence, eligibility criteria, the application process and testing phase requirements, in a straightforward and visually dynamic way.

Exploring the potential of bond market digitalisation

Already a leading global venue for innovative bond structures, including 'blue' bonds and ESG sukuk, DIFC may be poised to blaze a trail in digitally-enabled bond issuances, which are attracting growing market interest. Particularly promising are 'digital twin'-like structures where bonds are issued and held in custody in the conventional way, but also represented on a distributed ledger (blockchain).

As these bonds are issued and recorded on a distributed ledger in the primary market, all subscriptions, coupon payments and redemptions, and even trading, continues in traditional currency through standard payment systems. This approach allows the transaction to benefit from the operational efficiencies of blockchain technology, without disrupting established market practices, legal frameworks, or investor protections.

Globally, more central clearing houses are emerging to effectively and seamlessly support what are known as digitally native notes (DNN) – many among multinational institutions and commercial banks. These developments demonstrate that digital bonds can adhere to existing regulatory frameworks and investor expectations without creating significant additional regulatory hurdles or challenges. Combined efforts are already underway to remove the remaining dependencies on traditional issuance methods and further promote digitalisation of the bond market and broader post-trade ecosystem.

The DFSA's proportionate and risk-based framework enables bond market innovation, providing the flexibility to accommodate firms planning on issuing bonds and sukuk via digital twin-like structures, in part or in whole, or on fully dematerialized digital platforms; while preserving robust investor protection, legal certainty, and market integrity.

Helping establish best practices for shaping the future of finance

As AI adoption accelerates throughout the financial services ecosystem, the DFSA has dedicated more resources to studying its impact, and refining our strategies and risk management in response. A proactive stance on AI and innovation is embedded in the highest levels of DFSA, DIFC and Dubai's governance and decision-making – and is similarly prioritised in the Dubai Economic Agenda (D33) and DIFC 2030 strategies.

Having benefited from the Dubai government's pro-innovation stance and a lack of constraints due to legacy processes and regulations, the DFSA and DIFC have been able to evaluate and implement AI and fintech policies and solutions faster than many global peers. We aim to translate this early experience into mentorship opportunities for peers and industry stakeholders, setting the broader financial services ecosystem on a sustainable path of technology use and adoption.

In 2025, we fulfilled this ambition by participating in multiple industry events and knowledge-sharing initiatives. These included:

- **The World Economic Forum's (WEF) TradeTech initiative:** the DFSA helped mentor selected industry participants in the WEF's TradeTech programme, which examined the potential of emerging technologies to improve the processes that underpin global trade. The collaboration culminated in a report published by the WEF, in coordination with the Ministry of Economy, that provided concrete recommendations on promoting digitalisation and technology adoption in cross-border trade finance. These included formal recognition of decentralised identity and verifiable credentials; and the development of regulatory pathways for tokenized trade assets, digital bank guarantees and stablecoin-based settlement tools. By aligning public and private sector actors through structured experimentation, the sandbox has further demonstrated one of DFSA's core principles: that innovation and regulation can advance together
- A high-level **regulatory insights session hosted in collaboration with the Union of Arab Securities (UASA)**, in which the DFSA presented its end-to-end approach to innovation to regional regulatory peers – spanning regulatory enablement, supervisory practices, and its role in supporting emerging financial technologies. The event also shared practical insights from DIFC's innovation journey and the latest updates on the DFSA's Threat Intelligence

Platform, which plays a critical role in safeguarding cybersecurity within DIFC, supporting capacity building across Arab securities regulators

- **The Dubai FinTech Summit**, where we participated in multiple panels and events, including:
 - The DFSA's inaugural Regulatory College on AI and cybersecurity risks (see boxout)
 - Leading sessions in the Regulatory Forum on topics including AI governance, tokenisation frameworks, and stablecoin regulation
 - Curating DFSA Talks, a series of focused discussions with founders, innovators, and global stakeholders on supervisory technology, the authorisation process, and AI policy developments
 - Hosting an exhibition stand where firms could engage directly with DFSA experts to learn more about DFSA's Innovation Testing Licence, Tokenisation Sandbox, Threat Intelligence Platform, and digital assets frameworks
 - Convening roundtable discussions on wealth management, crypto regulation (co-hosted with the Global Blockchain Business Council), and sustainable finance
 - Presenting an overview of the DFSA's Money Services and Crowdfunding regime to fintech and AI start-up firms from Central Asia participating in the DIFC Innovation Hub Accelerator Programme, supporting ecosystem development and cross-border knowledge transfer



Strategic Pillar #3: Innovating Responsibly and Managing Risk

Promoting regulatory coordination on new systemic risks

The DFSA's inaugural Regulatory College on AI and cybersecurity risks, staged during the Dubai FinTech Summit, represented a milestone in global efforts to develop a coherent regulatory response to the challenges posed by emerging technologies in financial services. The closed-door event, titled "Innovation with integrity: Advancing Cybersecurity and AI oversight through international dialogue," brought together more than 30 regulators from 18 different authorities from the UAE, the wider GCC region, and around the world.

Participants explored the emerging risks and opportunities posed by advanced technologies such as post-quantum cryptography and agentic AI, with a particular focus on how regulatory frameworks should evolve to safeguard financial stability and protect investors in a fast-changing digital landscape. Through proactive exchanges, the college enhanced knowledge-sharing and supervisory alignment amongst regulators and underscored the DFSA's drive to ensure that as it emerges as a global centre for innovation, DIFC remains

firmly grounded in risk awareness and regulatory integrity.

Building on the momentum of the College, in June 2025 the DFSA published a new report titled "Cyber and Artificial Intelligence Risk in Financial Services". The report explored how digital risk has evolved into a form of systemic risk, and requires a collective response to embed resilience in tomorrow's financial system.

Notably, the report identifies the increasing frequency and sophistication of cyberattacks; the potential for quantum computing to render current encryption obsolete; and the rising adoption of AI as complex, fast-evolving, and deeply interconnected risks require urgent attention.

The research drew on global insights and expert discussions to offer guidance to regulators on mitigating emerging risks without compromising innovation, based on operational resilience, dynamic technology risk frameworks, and agile oversight. The report further contributed to the DFSA's wider commitment to forward-looking supervision, and its role in fostering collaborative, principle-based approaches to regulating emerging technologies.

In addition, as part of the Dubai AI Festival in April 2025, the Risk team hosted a closed-door roundtable titled "AI Literacy – developing the AI workforce of the future," with 14 Authorised Firms, consultants, and academics attending. The event provided valuable insights into the latest developments in AI literacy, and on cultivating AI skills and readiness throughout the organisation.

Global collaboration and digital transformation

In 2025 international collaboration remained a key pillar of the DFSA's efforts to capture the momentum and manage the risks around emerging technology trends. The DFSA continued to participate with international networks and standard-setters playing a crucial role in supporting responsible innovation. We contributed actively to the International Organisation of Securities Commissions (IOSCO) FinTech Task Force, the Bank for International Settlements (BIS) Innovation Hub programmes, and the Global Financial Innovation Network (GFIN), of which DFSA is a founding member.

In January 2025 the DFSA co-led the publication of a new GFIN report on AI with the UK's Financial Conduct Authority. Titled "Key insights on the use

of consumer-facing AI in global financial services", the report explored the transformative role of AI and machine learning (ML) within functions like risk management, customer service, fraud detection, and investment strategies. The research not only identified clear opportunities for AI to expand financial inclusion and drive innovation, but also highlighted the governance, accountability, and cybersecurity challenges presented by AI models.

As a founding member of GFIN and co-lead of this flagship research project, the DFSA shared insights based on Dubai's unique experience as a rapidly growing international financial centre embracing AI adoption. The report provided regulators globally with actionable advice on balancing innovation enablement with consumer protection, data governance, and algorithmic transparency, informing the future development of regulatory approaches worldwide.

Efforts to advance research and insights on innovation in financial services have positioned the DFSA and DIFC at the forefront of international dialogue on AI governance in finance, demonstrating our commitment to sharing lessons learned and contributing to global regulatory standards.

DIFC Zabeel District: A new zone for innovation to thrive

The DFSA has actively supported plans to make DIFC the world's first AI-native financial centre, with AI embedded across legal and regulatory frameworks, business operations, talent development, infrastructure, and the physical environment. This transformation is set to generate US\$ 3.5 billion in economic benefits and 30,000 jobs. It will make DIFC the world's first jurisdiction to offer a full-stack AI Campus combining regulation, training, compute and physical AI, as part of a landmark expansion in the form of DIFC Zabeel District.

The largest-ever demand-led expansion of a financial centre in the region, DIFC Zabeel District was unveiled in January 2026 by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and will consolidate DIFC's status as both the leading financial centre in the Middle East, Africa and South Asia, and a global engine of financial services innovation.

The District spans a massive site of over 7 million square feet, with a total gross floor area of 17.7 million square feet, and an estimated gross development value exceeding AED 100 billion. It will include a blend of state-of-the-art commercial, innovation, residential, and education spaces, to be rolled out in phases from 2030-2040. When complete, DIFC's scale will expand to accommodate over 42,000 companies, and a workforce exceeding 125,000.

AI is a central focus of the planned District, which will encompass an AI Campus and Innovation Hub facilities custom-designed to meet the needs of over 6,000 businesses and 30,000 technology specialists. This unmatched concentration of talent and cutting-edge infrastructure will pave the way for breakthrough developments in AI and commercial innovation, cementing DIFC's status as the world's leading digital finance destination.

Strategic Pillar #3:

Innovating Responsibly and Managing Risk

Developing industry buffers for technology and cyber risks

Alongside its regulatory initiatives, the DFSA has continued to engage the industry to better understand the opportunities, new vulnerabilities, and threat vectors created by technology-enabled business models. This includes exchanges with firms across DIFC to assess the adoption and use cases of AI in financial services, including how firms are deploying AI and implementing the associated governance, risk management, and control frameworks in practice.

These insights help to inform the DFSA's ongoing approach to AI, supporting the development of proportionate, risk-based regulatory and supervisory expectations. Insights on AI adoption in financial firms across DIFC can be consulted in the DFSA AI Survey Report 2025 (see boxout).

The number of firms under the scope of the DFSA's Innovation and Technology Risk Supervision team jumped 40% in 2025, spanning crowdfunding platform operators, money service providers,

and crypto businesses. The team also supported multiple license variations for firms adding digital assets and crypto products and services to their existing business portfolios, and concluded a new Memorandum of Understanding with the Virtual Assets Regulatory Authority (VARA) to enhance regulatory collaboration and further support the development of a robust and transparent digital asset market in Dubai.

Cyber resilience remained a major priority during the year, with the DFSA charting a 91% increase in notifications of cyber-related incidences and managing a 153% increase in cyber risk breaches resulting from targeted risk assessments. The DFSA is redoubling cyber risk management efforts by improving the management of risks associated with third-party providers of critical technology; promoting the sharing of cyber threat intelligence; and raising awareness of AI and quantum risks. In this regard, the DFSA staged two public cyber risk workshops, on threat intelligence and quantum risks within financial services.

Taking the industry's AI pulse

As part of its ongoing drive to better understand the impact, future potential, and risks of AI in financial services, the DFSA conducted its second annual AI survey in June 2025. Based on responses from nearly 700 firms (88% participation) across Banking, Wealth and Asset Management, Capital Markets and Insurance within DIFC, the survey charted a massive acceleration in AI adoption, with 52% of firms reporting using AI – up from 33% in 2024. There was particularly pronounced growth in Generative AI adoption, which increased by 166% year on year.

A clear majority (60%) of firms expect to increase their use of AI in 2026, and three-quarters anticipate a rise in AI use over the next three years, demonstrating how the technology is becoming deeply embedded within DIFC.

While highlighting the clear momentum surrounding AI, the survey also pointed to potential challenges. Over 20% of firms reported lacking clear accountability or oversight mechanisms for the use of AI, even when it is critical to business operations. Firms are also calling for more regulatory clarity and guidance on AI governance and ethics, and a more harmonised approach to regulatory expectations across the national financial sector.

The survey's findings will help inform the approaches of the DFSA and other regulators and underscore the need to develop pragmatic regulation that enables the industry to take advantage of innovation, while setting out guardrails that provide firms the certainty they are clearly demanding.

“Innovation is key to everything we do. The United Arab Emirates is one of the only countries in the world that has an AI Minister, and DIFC is one of the only international financial centres with a dedicated AI campus within it.”

Justin Baldacchino, Managing Director, Supervision

Our impact

- For **Authorised Firms**, the flexibility and regulatory support to develop and test promising new technologies and products with the potential to lead growth in future, as well as rapid routes to full commercialisation and application when these tests are successful
- For **firms at DIFC and new firms seeking authorisation**, a clear, accessible, and effective regime for the management of technology-related risks, and the benefit of regular guidance and dialogue on how to update and improve cybersecurity practices
- For **investors**, confidence that DIFC offers full access to the opportunities emerging from both traditional and future-focused business models, while ensuring all firms operate to the highest standards of cybersecurity and data protection, and that security policies evolve to take new technologies and threats into account
- For **colleagues**, opportunities to build technology fluency and to apply AI for career development and empowerment, by automating routine tasks and freeing up capacity to focus on higher-value projects
- For the **community**, the reassurance that the DFSA and DIFC are pursuing a responsible yet progressive approach to the use of AI and other technologies in financial services that will ensure Dubai remains at the forefront of innovation and reaps the benefits of technology-driven growth, without compromising standards

MY DFSA STORY



Lilian Chow
Senior Manager, Enforcement
Hong Kong

During my first 18 months, I have led assessments and investigations into potential financial crimes and regulatory breaches by Authorised Firms. These matters typically arise from public complaints or internal referrals and, where warranted, result in disciplinary action to uphold market integrity and protect confidence in DIFC.

This work demands rigour, objectivity, and a commitment to fairness, requiring a deep dive into complex issues where asking the right questions truly matters.

My time at the DFSA has already been exceptionally rewarding. Collaborating with regulatory professionals from around the world, and navigating the unique facets of this region, has provided professional growth I could not have found elsewhere.

Ultimately, it is the people who make the experience. The collaborative culture within – built on trust, accountability, mutual support, and a shared commitment to the public interest – is what truly sets the DFSA apart.

Strategic Pillar #4: Driving Operational Excellence

Supporting the evolving needs of our colleagues, customers, and markets

What we set out to achieve in 2025

Transforming change into opportunity

The DFSA has taken structured steps across our operations to ensure that we retain the infrastructure, practices, and talent needed to manage risks, meet market needs, and support the continued evolution of DIFC as a global financial centre.

Why driving operational excellence matters

Enabling markets to grow with confidence

As a regulator in a rapidly transforming industry, enhancing our operational capabilities so that the DFSA continues to set benchmarks for quality, innovation, and efficiency is critical to delivering our regulatory objectives and strategy.

Throughout 2025, we advanced digitalisation and industry dialogue to ensure our processes and practices anticipated and adjusted to changes in markets, technology, and the regulatory environment. This focus has helped DIFC remain agile, resilient to risk, and primed for future growth. Consistently evolving our operations contributes directly to the Dubai Economic Agenda (D33) and DIFC 2030 strategies, which emphasise the role of technology, innovation, and partnerships in making Dubai a driving force in the future of finance, and in seeking to become a top four-ranked global financial hub.

How are we doing this?

Through insight, innovation, and delivery

We have built future-focused capabilities across our operations by:

- Cultivating and embedding leading practices throughout the DFSA, by actively engaging stakeholders throughout the financial services industry, and participating in dialogue with local, regional, and international peers
- Harnessing AI and digitalisation to streamline internal processes, proactively manage emerging risks, and strengthen supervision and enforcement
- Equipping our people with the technology skills needed to uplift performance, and to deliver services consistently and effectively in the face of market shifts
- Establishing a project management discipline to create a centralised structure that standardises processes, improves governance, and drives consistent delivery across all projects
- Enabling exceptional performance through strong governance, purposeful communication, and focused delivery that keeps teams aligned and outcomes on track

This operational focus ensures the DFSA is positioned to effectively regulate and support the broadening and deepening of the evolving financial markets of tomorrow.

What we achieved in 2025

Promoting operational excellence

2025 saw multiple key milestones in driving operational excellence throughout the DFSA. The establishment of a dedicated Project Management Office (PMO) under the Operations division has ushered in a more disciplined and tightly integrated approach to the execution and delivery of complex strategic initiatives.

The PMO has enhanced the DFSA's operational capabilities through the development of a flexible operating model, capable of scaling in tandem with the organisation and DIFC's rapid growth. By integrating the Strategy team, the Office ensures that day-to-day execution and long-term direction stay tightly connected, while the PMO's broad remit – cutting across digitalisation, market intelligence, innovation governance, leadership capability, and financial crime – means that project delivery is coordinated, rather than limited to silos.

In 2025, the Strategy team finalised and published the DFSA's 2025-2026 Business Plan, and coordinated the 2025 Board Strategy Day to define the DFSA's strategic roadmap, promoting focus and clarity of direction as the organisation builds the capabilities to deliver on future goals.

Masaar: Developing National talent to lead Dubai's regulatory future

As one of the DFSA's core values, leadership is something the organisation is constantly striving to promote, through structured programmes, education and training opportunities, and dedicated investment. Our Masaar (Arabic for 'path') initiative, which welcomed its most recent cohort in September 2025 after more than 15 years of nurturing local talent, is a flagship example.

Masaar is a two-year programme specifically designed to prepare United Arab Emirates Nationals for careers in financial regulation, through a comprehensive blend of structured learning, support for the attainment of professional qualifications, and real-world experience. Hand-picked based on their exceptional academic performance, professional potential, and commitment to public service, the six graduates selected for Masaar in 2025 are each rotating across key DFSA departments, gaining hands-on knowledge of all aspects of the regulatory ecosystem.

Cohorts also benefit from dedicated personal coaching, on-the-job mentoring from experienced DFSA professionals, and intensive leadership and technical training, providing a fast track to long-term career opportunities within the DFSA, or the broader DIFC community.

Whatever career paths the Masaar graduates choose, they will emerge from the programme highly prepared to further the DFSA's and DIFC's tradition of regulatory excellence. By investing in United Arab Emirates National talent and strengthening local regulatory expertise, the DFSA is building future capacity within DIFC. Masaar also contributes directly to the goals of the Dubai Economic Agenda (D33), which seeks to make Dubai one of the world's top four global financial hubs and a preferred capital market destination by 2033.



Strategic Pillar #4: Driving Operational Excellence

Leveraging technology for engagement, efficiency, and experience

Updates to the DFSA's operating model throughout the year concentrated on two organisational priorities: market engagement and digitalisation.

The creation of a new Market Engagement team underlines the DFSA's commitment to being a regulator that is both accessible and approachable. The team seeks to act as a partner to firms operating from DIFC, ensuring they have the information and support they need in order to broaden and deepen their business from the centre; and that the DFSA has a real-time view of industry developments and challenges. This is achieved through dedicated channels of communication and regular opportunities for dialogue, such as panel sessions, that encourage the open exchange of views and create ongoing feedback loops between the DFSA and industry leaders.

The DFSA also advanced its digital transformation journey in 2025 through three transformational workstreams:

Digital Experience, based on a foundational Microsoft Dynamics 365 CRM platform successfully implemented in 2025. The first phase of this initiative delivered the digitalisation of authorisation processes for financial services firms. As a significant and fast-growing aspect of the DFSA's regulatory responsibilities and one of the first touchpoints for firms seeking to operate within DIFC, the goal was to make authorisation faster, simpler, and more user-friendly, while ensuring firms continue to meet the DFSA's high standards.

Achievements in 2025 included the launch of DFSA Connect, a new web portal enabling firms and advisers to initiate their licensing journeys (see boxout). This next-generation platform significantly streamlines authorisations and regulatory approvals, helping DFSA to manage increasing volumes and accelerate turnaround times for applicants. The platform's new capabilities also pave the way for advanced AI integration that will enable ongoing service enhancements, ensuring the DFSA's approach remains cutting-edge.

Over time, all authorisations will be migrated to the DFSA's new digital channel, which adopts a dynamic approach, minimising or expanding the authorisation process based on the applicant's risk profile. The DFSA sees this approach as a game changer, one that will pave the way for even higher levels of efficiency, and concentrate both the firms' and the DFSA's time and attention where these are most needed.

DFSA Connect: Supporting quality of service at scale

As DIFC continues to expand, the DFSA is constantly called on to scale flexibly without sacrificing the efficiency and service quality that define interactions with firms operating from the centre. During 2025, the DFSA saw a 25% increase in authorisation applications.

Managing this growth is a core goal of the DFSA's digital transformation strategy, which created a step change in 2025 with the launch of DFSA Connect – a next-generation online platform that has revolutionised the application process for authorisation and approvals. Through intuitive, user-friendly interfaces, smart automation, and streamlined workflows, DFSA Connect significantly reduces manual steps and delays, accelerating turnaround times and improving the overall experience for applicants. At the same time, by embedding DFSA standards and requirements, the platform ensures applications are subject to thorough and consistent governance – all while remaining protected by robust security and data privacy architecture.

With strong user uptake since its launch, DFSA Connect is demonstrating the DFSA's commitment to customer-centric innovation, and setting new standards for service that elevate DIFC's competitiveness on the global stage.

Digital Core and Agentic AI, by launching efforts in 2025 to develop a future-proof agentic AI platform that provides a scalable foundation for innovation, data-driven oversight, and the embedding of agentic AI across the organisation. Under this initiative, AI agents will be employed to improve industry engagement, providing the regulated community and applicant firms with instant support and actionable insights on rules and obligations. A new managed AI Operations service will ensure compliance with global standards for secure, ethical, and explainable AI.

Connected Intelligence, through which core infrastructure has been progressively shifted to the cloud to support ongoing business transformation. Cloud adoption has given the DFSA access to the latest tools and capabilities, including stronger security controls, automated reporting, and modern recovery processes that ensure critical services are always protected and available, enhancing resilience.

This project will culminate in a new integrated, cloud-native data and reporting environment that will make centralised, quality-assured data available via curated datasets for reporting and future analytics, empowering the DFSA with real-time insights, reduced operational risk, and a base for further innovation.

Reinforcing operational security while ensuring robust risk management

Recognising that technology adoption comes with new risks, in 2025 the DFSA continued to strengthen its cyber security posture, with security and risk oversight embedded across major initiatives such as cloud and AI adoption. The organisation reaffirmed its commitment to internationally recognised information security standards through successful achievement of the ISO/IEC 27001:2022 recertification, demonstrating the effectiveness and maturity of the DFSA's Information Security Management System (ISMS).

The DFSA has established a multi-year Cyber Security strategy focused on further advancing governance, resilience, and secure digital enablement. Our strategy reflects the priorities of the National Cybersecurity Strategy, which aims to mobilise government, industry, and society in creating a safe and strong cyber infrastructure in the United Arab Emirates that enables businesses and citizens to fulfil their ambitions.

The DFSA's Cyber Security Unit enhanced organisational resilience to the ever-evolving threat landscape through coordinated governance-, technical-, and people-focused initiatives. These included strengthening data security policies and monitoring, launching training and awareness-raising initiatives such as the DFSA Cyber Security Awareness Month (see boxout), and expanding incident response capabilities by leveraging the DFSA Threat Intelligence Platform. During 2025, the platform expanded significantly in scale and reach.

More than 1,200 users among DFSA's Authorised Firms were registered on the platform, which by year end had distributed over 58 million indicators to member organisations and connected communities. In 2025 alone, more than 19 million indicators and attributes were shared, reflecting continued growth in participation, intelligence data sources, and information-sharing activity.

Stay Cyber Smart: Embedding security in everyday operations

Ultimately, security depends less on systems and software than people, and how they interact with the organisation's systems each day. With this in mind, during the year the DFSA hosted a dedicated DFSA Cyber Security Awareness Month under the theme "Stay Cyber Smart – It Starts with You". The campaign focused on practical, everyday actions that help keep our organisation, our stakeholders, and our data safe.

From spotting phishing emails to using strong passwords and reporting suspicious activity, the message was simple: every colleague within the DFSA plays a vital role in protecting DIFC. Since the campaign was launched, the team observed tangible improvements in security incident reporting and phishing reports.

The initiative was aligned with the International Organization of Securities Commissions (IOSCO)'s World Investor Week and the National Cyber Security Alliance's global awareness efforts, reinforcing that cyber resilience is a shared responsibility across the financial ecosystem. By strengthening awareness and confidence across the DFSA's teams, we continue to actively protect and empower our most important line of defence – our people.



Strategic Pillar #4: Driving Operational Excellence

Fostering and maintaining a robust culture of risk amid the pursuit of operational excellence remains of core importance. The DFSA continued to raise risk awareness across the organisation by introducing requirements for colleagues to complete a declaration of understanding of risk, and complete tests on the DFSA's risk policies and Risk Tolerance Statement. A series of Essential Guides were introduced to promote awareness of topical risk themes, supported with tailored training sessions.

2025 also saw the initiation of the inaugural risk assurance review programme, as well as a thematic review of third-party risk that identified a need for tighter internal adherence to the DFSA's Third-Party Risk policy. This was addressed through targeted training that resulted in significant improvement by year end.

Fostering tactical approaches to supervision and enforcement

Evaluating and improving the efficiency of supervisory processes through the application of technology was a priority for the Supervision division in 2025. These improvements have helped ensure supervisory practices and approaches can support continued rapid expansion across DIFC's core sectors: Banking, Wealth and Asset Management, Capital Markets, and Insurance.

Focus areas included supporting wider DFSA efforts to develop a new operational resilience policy that will enhance the scope of the technology and cyber risk function. Led by the Supervision Infrastructure team, the DFSA continued active participation in the Bank for International Settlements' informal SupTech (Supervisory Technology) Group, which brings together global financial services regulators and practitioners to share insights on the technologies redefining the supervisory practice. The Infrastructure team was supplemented with additional resources in light of an internal reorganisation under which it assumed responsibility for processing the rising number of regulatory transactions related to the licensing and withdrawal of authorised individuals in DIFC.

DFSA's Enforcement division also developed readiness for technological change and new business models in 2025, notably by launching training to build internal capacity to investigate and monitor risks around cryptocurrency and blockchain, which are being employed in more transactions. Together these operational enhancements will ensure DFSA maintains its reputation for regulatory excellence, and that the financial stability and integrity of DIFC is preserved as it undergoes rapid growth.



Our impact

- For **authorised firms and new firms seeking authorisation**, a faster, more intuitive and responsive approach to application and approval procedures, with authorisation processing times through DFSA connect reduced
- For **colleagues**, more effective ways of working; enhanced coordination between teams across the organisation and with external peers; and, through initiatives like third-party risk training and DFSA Cyber Security Awareness Month in 2025, access to education and tools that ensure readiness for new technologies, and support life-long career growth and opportunity
- For the **community**, the assurance that DIFC's expansion will continue in a structured and sustainable way that creates new opportunities for talent, contributes to Dubai's economic vibrancy, and achieves the Dubai Economic Agenda (D33) and DIFC 2030 goals of placing Dubai at the centre of global finance in future

"We are always striving to develop the internal resources and insights needed to manage the financial stability and resilience of DIFC and ensure that we remain able to get ahead of trends that may emerge in the future. That's a constantly moving target and requires an equally dynamic approach to supervision."

Justin Baldacchino,
Managing Director, Supervision

MY DFSA STORY



Steve Segui
Desktop Support Officer, IT
Philippines

I am responsible for ensuring that colleagues have access to reliable, secure, and effective technology to support their work. My role includes resolving day-to-day IT issues and managing user access to systems and applications.

On a typical day, I support colleagues both remotely and in person, troubleshoot technical issues, and help maintain the smooth operation of IT services. I also provide on-site technical support for key business activities, including high-profile events, to minimise disruption and ensure a seamless experience.

My work directly supports the DFSA's strategic objectives by enabling efficient operations, protecting information, and reducing interruptions to business activities.

I focus on delivering practical solutions and always seek to improve processes in order to enhance my colleagues' overall user experience.

Leadership and Governance

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Principles

In aiming to establish and maintain an environment that supports DIFC's guiding principles of integrity, transparency and efficiency, the DFSA has set uncompromisingly high standards in building a clear and flexible regulatory framework, based on the best practices and laws of the world's leading financial jurisdictions. The result is clear and succinct legislation that is relevant to a modern international financial centre.

The DFSA strives to meet the applicable standards of leading international organisations such as the BCBS, IAIS, IOSCO, FATF and IFSB.

The DFSA actively participates in international organisations and contributes to dialogue in areas such as financial services regulation and AML compliance. This enables the DFSA and its employees to stay abreast of, and contribute to implementing, international standards within the region.

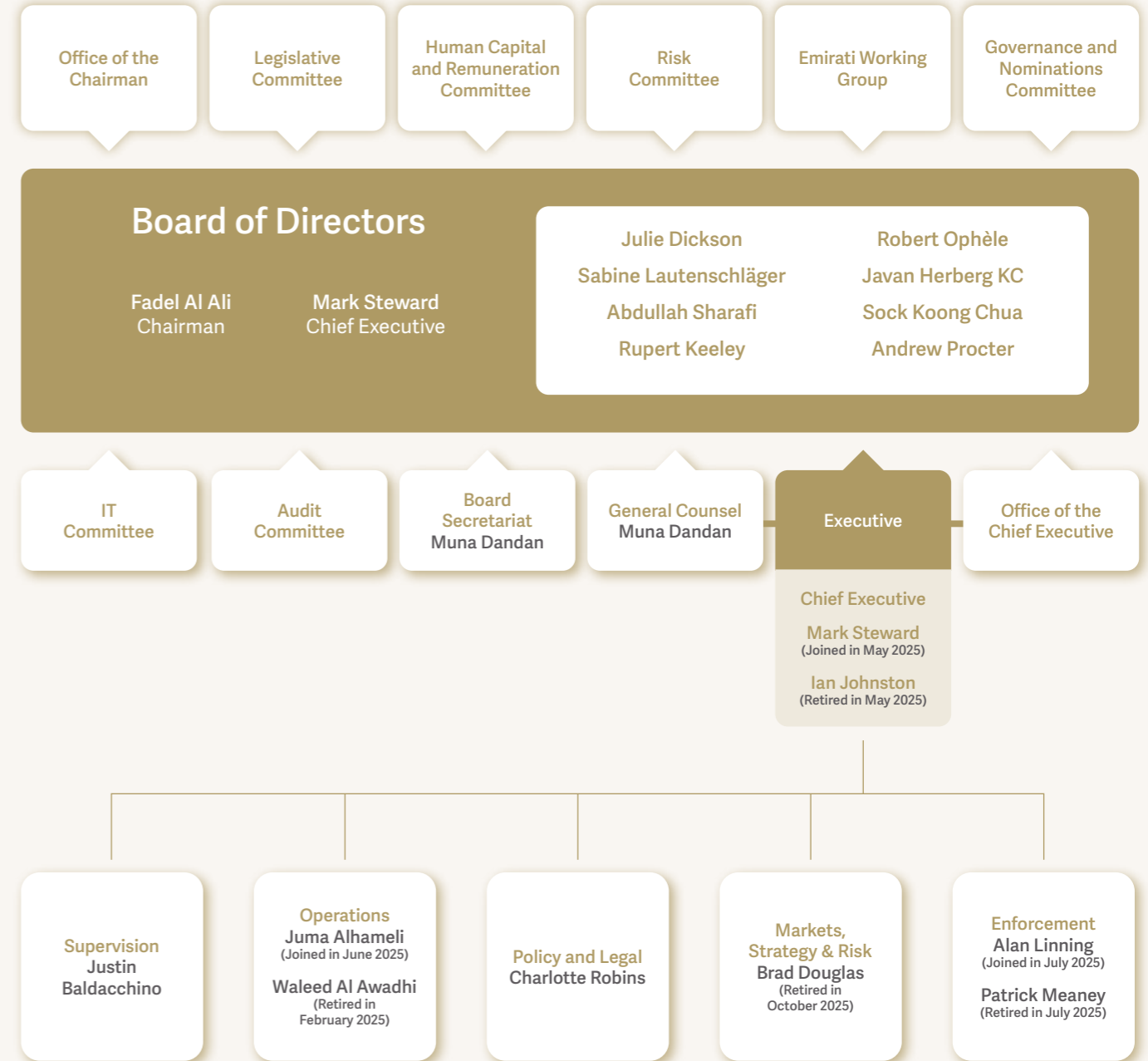


Values and Ethics

The DFSA's values reflect the core DIFC operating principles of integrity, transparency and efficiency. These are firmly embedded in the DFSA's rules and procedures, and incorporated in the DFSA's Codes of Values and Ethics.

The DFSA's Code of Values and Ethics for employees sets appropriate international best practice standards in relation to the use of regulatory information, conflicts of interest, and the giving and receiving of hospitality, gifts and benefits. It is designed to complement the conflicts of interest and confidentiality provisions in the Regulatory Law. The DFSA has also implemented a similar Code of Values and Ethics (available on the DFSA website) appropriate for members of the Board, its Committees and the Financial Markets Tribunal.

Governance Model



Board of Directors

An independent Board of Directors oversees the DFSA's Chief Executive and his staff. This ensures a transparent separation of day-to-day regulatory activities from the oversight of the DFSA's regulatory performance.

The powers and functions of the DFSA Board under the Regulatory Law are to:

- Exercise the legislative powers of the DFSA
- Ensure that the DFSA exercises its statutory powers and performs its statutory functions in accordance with its objectives
- Make policies relating to the regulation of financial services and related activities
- Review the performance of the Chief Executive
- Provide direction to the Chief Executive
- Appoint members to the Financial Markets Tribunal
- Arrange for the DFSA to enter into co-operation arrangements with other regulators
- Review draft laws and recommend them to the President of DIFC
- Review and make rules
- Review and issue standards and codes of practice

In exercising its general oversight of the DFSA's operations, the Board's role includes:

- Making strategic decisions affecting the future operation of the DFSA
- Setting appropriate policies to manage risks to the DFSA's operations and the achievement of its objectives and seeking regular assurance that risks are managed in accordance with these policies
- Maintaining a sound system of financial controls
- Providing an accountability mechanism for decisions made by Board committees through periodic reporting

Members of the DFSA Board are leading legal, business and regulatory experts drawn from major international financial jurisdictions.

Board members are appointed by the President of DIFC, usually for three-year terms.

All the Board members, apart from the Chief Executive, are independent, Non-Executive Directors. The Board is supported by the Secretary to the Board who is also the General Counsel.

The DFSA has comprehensive directors' and officers' liability insurance cover, which the Board considers adequate and appropriate.

The Board, as required under the Regulatory Law, has appointed a Financial Markets Tribunal and five committees to assist in discharging its functions. These are the Legislative Committee, Governance and Nominations Committee, Audit Committee, Risk Committee and the Remuneration Committee. These committees form a solid foundation for good governance, efficiency and policy formation.

During 2025, the Board established an IT Committee to provide strategic direction, oversight and governance for the DFSA's digitisation and artificial intelligence projects.

The Legislative Committee includes external members who are not members of the Board, but have particular expertise, which is helpful in carrying out the work of the committee.

Board of Directors



Fadel Al Ali
— Chairman

Fadel Al Ali was appointed Chairman of the DFSA on 1 June 2021, having joined the DFSA Board of Directors in 2008. Mr. Al Ali began his career with Citibank in 1989 and later joined Dubai Holding in 2004, where he served as Chief Financial Officer, Chief Operating Officer, and ultimately Chief Executive Officer until 2017. He subsequently served as Deputy Chief Executive Officer and Group Chief Operating Officer of First Abu Dhabi Bank (FAB) until 2021. In recognition of his leadership and governance expertise, Mr. Al Ali was appointed Chairman of Majid Al Futtaim Holding in June 2025. He also serves as Vice Chairman of WIO Bank and is a Board member of Commercial International Bank (Egypt). Mr. Al Ali holds a Bachelor's degree in Industrial and System Engineering from the University of Southern California.



Mark Steward
— Chief Executive

Mark Steward was appointed Chief Executive of the DFSA in 2025. Mr. Steward served as the Executive Director of Enforcement and Market Oversight at the UK's Financial Conduct Authority (FCA) from 2015. He was also the Chair of the FCA's Market Policy Committee, and from December 2021, he was Executive Director of the FCA's International Division. Prior to joining the FCA, Mr. Steward served at the Hong Kong Securities and Futures Commission (SFC) as an Executive Director with responsibility for the Enforcement Division. Before joining the SFC, he held several senior positions with the Australian Securities and Investments Commission (ASIC) and was most recently Deputy Executive Director, Enforcement at ASIC.



Julie Dickson
— Board Member

Julie Dickson was a member of the Supervisory Board of the European Central Bank, between 2014 and 2017, which is responsible for overseeing European banks. Prior to that, she spent 15 years at the Office of the Superintendent of Financial Institutions in Canada, heading the office from 2006 to 2014. In addition, Ms. Dickson served for 15 years with the Canadian Department of Finance, focusing on financial institution policy issues. She has been a member of the Financial Stability Board, the Basel Committee on Banking Regulation, and the Boards of the Canada Deposit Insurance Corporation and the Toronto Leadership Centre. She currently sits as an independent Non-executive Director on the Board of Manulife. She also sits on the Canadian Public Accountability Board, which oversees audit firms in Canada. She has been awarded the Order of Canada for her work in Canada and globally in the area of financial institution regulation and supervision. Ms. Dickson is Chair of the Audit Committee, and a member of the Risk Committee and Legislative Committee.



Sabine Lautenschläger
— Board Member

Sabine Lautenschläger was appointed to the Board of the DFSA in July 2020. Prior to this Ms. Lautenschläger served as Vice Chair of the Supervisory Board of the Single Supervisory Mechanism, the European banking supervisor, at the European Central Bank (ECB) from 2014 to 2019. During this time, she also served as a member of the Executive Board and member of the Governing Council of the ECB, the decision-making body responsible for monetary policy within the Euro area. She represented the ECB inter alia on the Basel Committee on Banking Supervision and the Financial Stability Board and was an observer at the Single Resolution Board. In 2019 she was, among other things, in charge of oversight of market infrastructures and payments, including cyber resilience as well as statistics and risk management at the ECB. From 2011 to 2014, Ms. Lautenschläger was Deputy Governor of the Deutsche Bundesbank. Prior to this she was also a member of the Executive Board and Chief Executive Director of Banking Supervision at the Federal Financial Supervisory Authority, Germany. Ms. Lautenschläger is a Supervisory Board member of Commerzbank AG, Frankfurt, Germany and a Non-executive Board member of the Financial Services Volunteer Corps, New York, US. She also serves as a member of the Trustee Board of the Alfried Krupp von Bohlen Halbach-Foundation, Essen, Germany and as an external expert for the International Monetary Fund. Ms. Lautenschläger holds a Law degree from Rhenish Friedrich-Wilhelms-University Bonn. Ms. Lautenschläger is Chair of the Governance and Nominations Committee, and a member of the Legislative Committee and Risk Committee.

Board of Directors



Abdullah Sharafi
— Board Member

Abdullah Sharafi joined the DFSA Board on 1 January 2022. Mr. Sharafi is Managing Director of one of his family's enterprises. His career has included Board positions across financial services, in investment banking, Islamic banking, asset management, insurance, and re-takaful, in the UAE and internationally. Mr. Sharafi served as the first Chair of TECOM Group, where he focused on governance and supporting the development of Dubai's free-zone clusters. He has contributed to policy discussions with several UAE institutions, including the Ministry of Economy, Ministry of Human Resources and Emiratisation, Ministry of Finance, UAE Central Bank, Emirates Center for Strategic Studies and Research, and the Dubai Chamber of Commerce and Industry. He has also participated in trade negotiations on behalf of the UAE. Mr. Sharafi holds a Master's degree in Economics from the University of Denver and began his career at Emirates Industrial Bank. Mr. Sharafi is Chair of the Remuneration and Human Capital Committee, Chair of the Emirati Working Group, and the IT Committee, and serves as a member of the Governance and Nominations Committee, and Audit Committee.



Rupert Keeley
— Board Member

Rupert Keeley was appointed to the Board in 2023. Mr. Keeley has in-depth and extensive experience in international banking and payments. He was the Executive Vice President and General Manager for PayPal's businesses in Europe, the Middle East and Africa (EMEA) and Chief Executive Officer of the PayPal Europe Bank until June 2018. Prior to PayPal he was Visa Inc.'s Group Executive and President of the Asia Pacific and the Central and Eastern Europe, Middle East and Africa (CEMEA) regions. Mr. Keeley worked for Standard Chartered plc based in London and Singapore, and for almost four years in the Middle East as CEO of Bahrain and Gulf Consumer Banking Head. In addition to being an adviser to various financial service and fintech companies, he is a Non-executive Director of NewDay Cards in the UK and a member of Team8 Fintech's Global Advisory Board. Mr. Keeley holds an MBA in Marketing from the City University Business School, London and a B.Sc. (Hons) in Management Sciences from the University of Manchester. Mr. Keeley is Chair of the Risk Committee, and a member of the Audit Committee, Remuneration and Human Capital Committee, and Emirati Working Group.



Robert Ophèle
— Board Member

Robert Ophèle was appointed to the DFSA's Board on 1 February 2024. He has more than 40 years of experience in the financial sector. Mr. Ophèle was, until 2022, Chairman of the Autorité des marchés financiers, the French Financial Markets Authority. He has contributed significantly to various French and European Boards, including the Autorité de contrôle prudentiel et de résolution (the French Prudential Supervision and Resolution Authority), the High Council for Financial Stability, the European Systemic Risk Board, ESMA and IOSCO. Prior to this, during 1981-2017, Mr. Ophèle held various key roles at Banque de France including Director General Operations and Second Deputy Governor. He was also a member of the Supervisory Board of the European Central Bank's Single Supervisory Mechanism. Since 2023, Mr. Ophèle has been Chairman of the Autorité des Normes Comptables, the French Accounting Standard Setter. He is also a member of the European Financial Reporting Advisory Group advising the European Commission on IASB standards and contributing to European sustainability reporting standards. Mr. Ophèle is an Officer of the French Legion of Honour. Mr. Ophèle is a member of the Legislative Committee, Audit Committee, Remuneration and Human Capital Committee, and Emirati Working Group.



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Javan Herberg KC
— Board Member

Javan Herberg was appointed to the DFSA Board on 1 March 2024. He is a leading practitioner in financial services regulation, acting for and against financial services regulators such as the UK's FCA and PRA, large financial institutions and individuals in a number of jurisdictions. Mr. Herberg regularly acts in financial services litigation and in other areas of commercial regulation, including telecommunications, utilities and other fields of professional discipline. His expertise extends to public and constitutional law matters, where he has made significant contributions, including serving as Chair of the Constitutional and Administrative Law Bar Association. Mr. Herberg has been recognised as a pre-eminent King's Counsel by reputable legal directories such as Chambers UK and Legal 500, for his expertise in administrative and public law, banking and finance, financial services, and more. He currently also sits on the Advisory Board of the Financial Services Lawyers' Association. Mr. Herberg has written widely on financial services and commercial law matters. Mr. Herberg is Chair of the Legislative Committee, and a member of the Governance and Nominations Committee.



Sock Koong Chua
— Board Member

Sock Koong Chua was appointed to the DFSA Board on 1 April 2024. She was Group CEO, from 2007 to 2020, at Singapore Telecommunications Limited (Singtel), Singapore's largest telecom provider. Since 2021, Ms. Chua has been a Senior Advisor at Singtel. Ms. Chua currently sits as a Non-executive Director on several other Boards including the Board of Prudential plc. She is also a member of the Supervisory Board of Royal Philips. In addition, Ms. Chua is currently a member of the Council of Presidential Advisers, the Securities Industry Council, and the Public Service Commission of Singapore. Known as one of Asia's most powerful businesswomen, Ms. Chua has been recognised for her contributions through receiving Singapore's Public Service Star in 2019, and the Medal of Commendation (Gold) at the National Trades Union Congress May Day Awards in 2016. She holds a Bachelor's degree in Accountancy (First-Class Honours) from the University of Singapore. Ms. Chua is a member of the Risk Committee, Governance and Nominations Committee, Remuneration and Human Capital Committee, and Emirati Working Group.



Andrew Procter
— Board Member

Andrew Procter was appointed to the DFSA Board on 1 April 2024. He has more than 30 years of experience in legal and regulatory affairs. He was a Partner at international law firm, Herbert Smith Freehills LLP, for many years where he provided strategic advice to financial institutions, listed companies, and executives on regulatory and risk issues. Prior to this, Mr. Procter held key positions at Deutsche Bank AG until May 2014 as Global Head of Compliance, Government and Regulatory Affairs. Mr. Procter was also the Director of Enforcement at the UK's Financial Conduct Authority from 2001 to 2005 and was Commission Member and Executive Director of the Intermediaries and Investment Products Division at the Hong Kong Securities and Futures Commission from 1998 to 2001. Before that, he held senior positions at the Australian Securities Commission. Mr. Procter has been involved in the development of regulatory policy at a global and European level. He was a member of the European Banking Authority Stakeholder Group, and a member of the European Commission Group of Experts in Banking Issues. He has also chaired the committee on Implementation of IOSCO Objectives and Principles of Securities Regulation. Mr. Procter is a member of the Legislative Committee, Risk Committee, and Governance and Nominations Committee.

Board of Directors

Board Member Attendance at Meetings in 2025

The following schedule shows Board member attendance at meetings during the year, with attendance (either in person or by video conference) shown as a proportion of the number of meetings individual Board members were eligible to attend.

	Board	Legislative Committee	Audit Committee	Risk Committee	Governance and Nominations Committee	Remuneration and Human Capital Committee	Emirati Working Group
Fadel Al Ali	5/5		1/4		2/4	1/3	
Mark Steward	3/3	3/3	3/3	2/2	3/3	2/2	2/2
Julie Dickson	5/5	5/5	4/4	2/2			
Sabine Lautenschläger	5/5	2/2		2/2	4/4		
Abdullah Sharafi	5/5	5/5	4/4		4/4	3/3	2/2
Rupert Keeley	5/5		4/4	2/2		3/3	2/2
Robert Ophèle	5/5	5/5	4/4			3/3	2/2
Javan Herberg KC	5/5	5/5			4/4		
Sock Koong Chua	5/5			2/2	4/4	3/3	2/2
Andrew Procter	5/5	5/5		2/2	4/4		
Ian Johnston*	2/2	2/2	1/1		1/1	1/1	

* retired in May 2025



Board Committees

Legislative Committee

The Legislative Committee assists the Board in discharging its policy-making and legislative functions, including the development of the regulatory framework for financial services conducted in or from DIFC.

The Committee is responsible for the scrutiny of proposed legislative and rulebook changes, which align with the DFSA's regulatory objectives and approach and meet international standards, ensuring proper consultation on such changes and recommending to the Board the final form of changes proposed. The Board has the power to make or amend rules and will propose primary legislation to the President of DIFC for recommendation for enactment by the Ruler of Dubai.

Legislative Committee members in 2025 were:

- Javan Herberg KC (Chair)
- Julie Dickson
- Sabine Lautenschläeger (retired in April 2025)
- Robert Ophèle
- Andrew Procter
- Peter Casey*
- Peter Smith*
- Mark Steward** (joined in May 2025)
- Muna Dandan**
- Charlotte Robins**
- Ian Johnston (retired in May 2025)

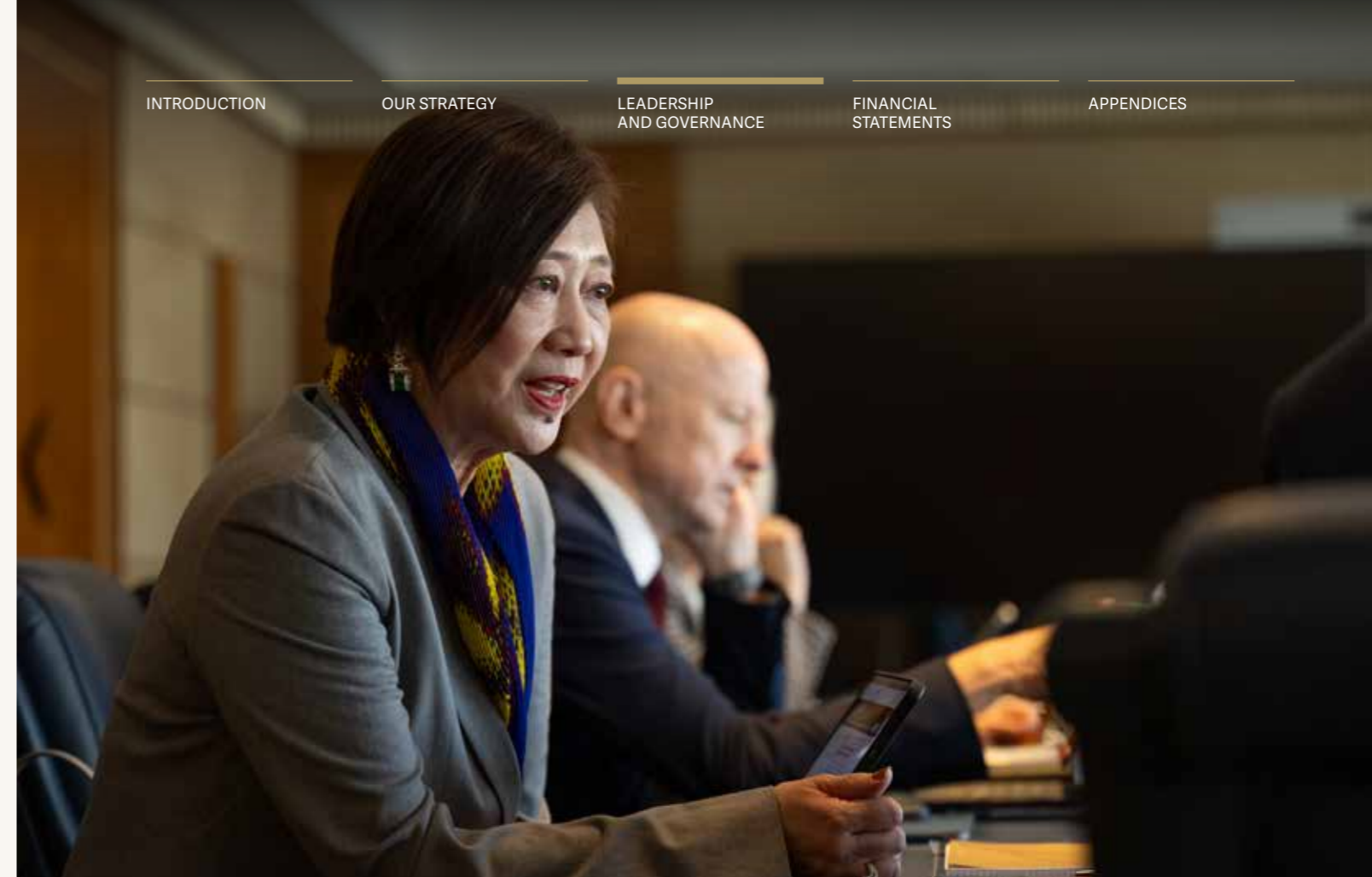
* External member

** Executive member

In 2025, the Legislative Committee recommended to the Board changes to the DFSA's regulatory regime across a wide range of subjects, which the Board subsequently approved for enactment. These included those listed below:

- Enhancements to the client assets regime to strengthen clarity, scope and regulatory certainty while preserving a risk-based and proportionate approach
- Amendments to the DFSA's statutory objectives, including the introduction of a secondary market development objective
- Enhancements to the prudential regime for certain categories of firms to increase proportionality and support financial stability in DIFC
- Updates to the methodology for calculating capital requirements for operational risk applicable to certain categories of firms
- An update to the DFSA's regime for offers of securities to the public from DIFC to better align with international regulatory practice
- Amendments to the DFSA's framework governing Licensed Functions and Authorised Individuals
- Enhancements to the crypto token regime, including placing responsibility for suitability assessments on persons conducting crypto token activities in or from DIFC

The Committee also reviewed its activities and terms of reference and made recommendations to the Board to amend the terms of reference, as appropriate, to clarify its responsibilities.



Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities regarding the financial management of the DFSA, the adequacy of its systems of internal controls and the quality of its internal risk management process.

Audit Committee members in 2025 were:

- Julie Dickson (Chair)
- Abdullah Sharafi
- Rupert Keeley
- Robert Ophèle

During 2025, the Committee reviewed the audit report prepared by external auditors on the financial statements for 2024 and discussed this with the auditors. The DFSA's financial statements were assessed as being presented fairly and in accordance with International Public Sector Accounting Standards. The Committee recommended to the Board the transfer of the 2024 surplus to the Reserve of the DFSA.

The Committee completed an annual evaluation of the effectiveness of the external auditors. The Committee also reviewed the external auditors' plan for their review of the financial statements for the year ended 31 December 2025.

The Committee reviewed the draft budget for 2026 prepared by the Executive and recommended it for approval by the Board.

Throughout the year, the Committee maintained oversight of the financial performance of the organisation. The Committee also provided oversight of the DFSA's systems of internal control, including internal financial controls, information security and insurance arrangements, the cyber security framework, the business continuity management framework and the activity of the internal audit function.

As part of the Committee-approved 2025 audit plan, the internal audit function provided assurance in relation to authorisation, information security, data protection, payroll and pensions, and employee insurance, and completed advisory work in respect of corporate governance. The Committee was also informed that the internal audit function had been subject to a quality assessment against global internal audit standards by an independent third-party and achieved a "full conformance" rating.

The Committee also reviewed its activities and terms of reference, and made recommendations to the Board to amend the terms of reference, as appropriate, to clarify its responsibilities.

Risk Committee

The primary function of the Risk Committee is to advise the Board regarding risks that could affect the DFSA's reputation or ability to meet its regulatory objectives, the DFSA's tolerance level for such risks, and the risk culture of the DFSA. The Committee also assists the Board in considering risk mitigation measures and monitoring their implementation.

Risk Committee members in 2025 were:

- Rupert Keeley (Chair)
- Julie Dickson
- Sabine Lautenschläger
- Sock Koong Chua
- Andrew Procter
- Mark Steward* (joined in May 2025)

* *Ex Officio Member*

During 2025, the Risk Committee carried out the following activities, among others:

- Discussed current macro-economic and other global issues and considered the extent to which those issues might impact the DFSA, regulated entities or the development of DIFC
- Reviewed and received updates regarding ongoing efforts by the DFSA to mitigate the main operational risks that it faces, including mitigating actions already in hand or planned, the level of residual risk the DFSA was exposed to, and whether supplemental measures should be adopted in relation to risks
- Reviewed the identification, assessment and prioritisation of supervisory risks, challenged the adequacy of mitigations and controls, and monitored emerging risks and risk trends
- Considered the risk profile of DFSA divisions and the organisation, as part of its ongoing risk control self-assessment process. Divisional risk mitigation plans were considered and challenged, where appropriate, by the Risk Committee to ensure that risks were being effectively managed and addressed across the organisation in a timely manner

- Reviewed the Risk Assurance Programme (Risk Monitoring Plan) and considered the findings from the reviews undertaken. The Committee constructively challenged findings and management responses and welcomed the work in this area which provided assurance that key risks were being independently assessed and appropriately managed
- The Committee received an update on the Unauthorised Business Toolkit from the Enforcement division and an update on AI Adoption by Authorised Persons from the Policy division

The Committee also reviewed its activities and terms of reference to ensure the terms of reference remained fit for purpose.

Governance and Nominations Committee

The Governance and Nominations Committee considers Board governance issues and makes recommendations to the Board in this regard. The Committee also makes recommendations to the Board regarding any changes to the composition of the Board and its committees, as well as the Financial Markets Tribunal, and is responsible for identifying suitable successors for the Chief Executive to recommend to the Board.

Governance and Nominations Committee members in 2025 were:

- Sabine Lautenschläger (Chair)
- Abdullah Sharafi
- Javan Herberg KC
- Sock Koong Chua
- Andrew Procter
- Ian Johnston* (retired in May 2025)
- Mark Steward* (joined in May 2025)

* *Executive member*

Following the Board's decision at the end of 2024 to select Mark Steward to replace Ian Johnston as Chief Executive, in the early part of 2025 the Committee oversaw the process for Mr. Steward's formal appointment.

During 2025, the Committee considered the Board's conflicts of interest policy and recommended amendments to the Board for approval. The Committee also reviewed its activities and terms of reference, and made recommendations to the Board to amend the terms of reference.

The Committee also discussed how to conduct the next Board effectiveness review, scheduled for 2026. It decided that the review should be conducted with the assistance of consultants and conducted a thorough selection process before recommending to the Board the engagement of the successful consultants.

The Committee also considered a report on hospitality and gifts received by staff during 2025.

Remuneration and Human Capital Committee

The primary function of the Remuneration and Human Capital Committee is to provide recommendations that support the Board in fulfilling its responsibilities related to human resources. The Committee's remit encompasses oversight of remuneration, performance management and other policies applicable to the DFSA's staff.

Remuneration and Human Capital Committee members in 2025 were:

- Abdullah Sharafi (Chair)
- Rupert Keeley
- Robert Ophèle
- Sock Koong Chua

During 2025, the Committee undertook an in-depth and comprehensive analysis of market conditions, including a review of the overall reward framework to ensure remuneration practices remained competitive and fair. Based on these findings, the Committee submitted recommendations to the Board regarding adjustments for 2025. As part of its governance responsibilities, the Committee also reviewed its terms of reference and recommended updates to the Board to ensure continued alignment with relevant legislation and leading governance practices.

In addition, the Committee also made recommendations on employee performance awards, recognising achievements during the previous year.

Separately, the Committee undertook the annual performance appraisal of the Chief Executive and reviewed and discussed the Chief Executive's performance objectives and KPIs for the forthcoming year.

The Committee reviewed the progress and development of employees, with particular focus on enhancing regulatory expertise, and advancing the careers of UAE Nationals. This initiative aligns with the organisation's commitment to nurturing talent and supporting national development goals. This work included oversight of the organisation's Emiratisation strategy and related initiatives. Furthermore, the Committee addressed various strategic human resources initiatives including:

- Talent acquisition strategies
- Employee development programmes
- Organisational competencies framework
- Culture change
- Performance management
- Budget allocations
- Job evaluations, grading structures and job title alignment
- Enhancement of the performance management framework and review of productivity metrics

In addition to the above, the Committee reviewed employee engagement and conducted diagnostics of the survey results and related action plans, as part of its oversight of organisational culture.

The Committee also considered early-stage succession planning and the identification of key roles to support leadership continuity.

Through these efforts, the Committee maintains its focus on cultivating a high-performing, engaged and capable workforce, positioning the DFSA to remain resilient and to ensure it achieves its strategic objectives.

Financial Markets Tribunal

The Financial Markets Tribunal (FMT) is an independent tribunal created under the Regulatory Law 2004 to hear and determine any reference, that is, to review a decision of the DFSA, where DIFC legislation provides for this. The FMT also has jurisdiction to hear and determine any regulatory proceeding, where DIFC legislation provides that such a proceeding may be commenced before the FMT.

A decision of the FMT may, with permission from the FMT or the DIFC Courts, be appealed to the DIFC courts on a point of law.

The FMT's members are appointed by the DFSA Board of Directors, but it is operationally independent of the Board and the DFSA Executive.



FMT members as of the end of 2025 were:

- Tim Herrington (President)
- Ali Malek KC
- Patrick Storey
- Ali Al Aidarous
- Ali Al Hashimi
- Ian Abrams

Please refer to the DFSA website for their profiles.

In 2025, there was one matter before the FMT, in relation to which an in person hearing in DIFC was held in November. The FMT's decision in this matter is published on the FMT section of the DFSA's website, accompanied by the FMT's decision made in respect of privacy in the same matter (delivered in October 2024), which was upheld on appeal by the DIFC Courts in January 2025.

IT Committee

The IT Committee was established to provide strategic direction, oversight, and governance for the DFSA's digitisation and artificial intelligence projects. The Committee provides assurance that initiatives are prioritised appropriately, and contribute to the DFSA's objective of delivering world class regulation through best in class capabilities.

IT Committee members in 2025 were:

- Abdullah Sharafi (Chair)
- Sock Koong Chua
- Rupert Keeley

In 2025, the IT Committee focused on the oversight of significant developments within the DFSA Digital Transformation programme.

These activities included:

- Oversight of four key Digital Transformation workstreams: Customer Relationship Management system, Agentic AI Foundation, Enterprise Resource Planning system, and Cloud Operations
- Reviewing project governance models, sponsorship and stakeholder arrangements to provide assurance on delivery readiness
- Oversight of the project business cases, including strategic alignment, delivery approach and benefits realisation
- Review of the detailed financial analysis, including five-year return-on-investment models

- Oversight of the vendor selection process ensuring a balanced assessment of capability, risk, cost, and strategic fit
- Monitoring the project delivery lifecycle to ensure alignment with plans, budgets, dependencies and risk management objectives

Emirati Working Group

The Emirati Working Group serves as a strategic platform through which the Board promotes the development of UAE National employees. It oversees the DFSA's flagship initiative, Masaar, the UAE National graduate programme designed to build a sustainable pipeline of skilled regulatory professionals.

Emirati Working Group members in 2025 were:

- Abdullah Sharafi (Chair)
- Rupert Keeley
- Robert Ophèle
- Sock Koong Chua
- Mark Steward* (joined in May 2025)
- Juma Alhameli*
- Kawthar Kazim*

** Executive member*

During 2025, the Emirati Working Group considered initiatives supporting the development of regulatory capability and skills among UAE Nationals, with a focus on strengthening foundational expertise aligned with the DFSA's mandate and strategic priorities.

The Working Group reviewed the progress of the Masaar programme and discussed enhancements to its design aimed at strengthening entry-level regulatory skills and providing structured exposure to regulatory work for newly qualified graduates. The Working Group noted that, following the re-design, the programme is more closely aligned with the DFSA's strategy and supports workforce readiness and foundational regulatory capability among UAE Nationals.

The Working Group's discussions informed management's ongoing refinement of the programme and contributed to the DFSA's broader approach to talent capability development and national development objectives.

Executive Management



Mark Steward
— Chief Executive

Mark Steward was appointed Chief Executive of the DFSA in 2025. Mr. Steward served as the Executive Director of Enforcement and Market Oversight at the UK's Financial Conduct Authority (FCA) from 2015. He was also the Chair of the FCA's Market Policy Committee, and from December 2021, he was Executive Director of the FCA's International Division. Prior to joining the FCA, Mr. Steward served at the Hong Kong Securities and Futures Commission (SFC) as an Executive Director with responsibility for the Enforcement Division. Before joining the SFC, he held several senior positions with the Australian Securities and Investments Commission (ASIC) and was most recently Deputy Executive Director, Enforcement at ASIC.



Juma Alhameli
— Chief Operating Officer

Juma Alhameli was appointed Chief Operating Officer of the DFSA in 2025. Mr. Alhameli has more than two decades of experience in the technology, financial services and aviation sectors. Mr. Alhameli was previously Chief Technology Officer at First Abu Dhabi Bank, where he led the development and execution of the bank's technology vision and strategy. Prior to this, Mr. Alhameli spent a decade at Abu Dhabi Global Market in senior leadership roles, including Chief Communication Officer, Chief of Staff and Chief Strategy & Business Development Officer. Mr. Alhameli holds a BSc in Computer Engineering from Khalifa University.



Alan Linning
— Managing Director, Enforcement

Alan Linning joined the DFSA in 2025, as Managing Director, Enforcement. Mr. Linning brings over three decades of legal, regulatory and enforcement experience to the DFSA, having worked across a broad spectrum of complex financial regulation, enforcement action and compliance matters within global financial markets. Prior to joining the DFSA, Mr. Linning held various senior positions within top-tier regulatory bodies and law firms, where he held high-profile investigations and contributed to shaping policy and strategy in financial enforcement. Mr. Linning was most recently a Partner in Litigation and Dispute Resolution at Mayer Brown in Hong Kong. Previously he spent eight years as Partner, Head of Disputes and Regulatory at Sidley Austin. Prior to this, he was Executive Director of Enforcement at Hong Kong's securities and Futures Commission. Mr. Linning holds a Law degree from the University of Edinburgh.



Justin Baldacchino
— Managing Director, Supervision

Justin Baldacchino joined the DFSA in 2020. He is responsible for providing an effective and efficient risk-based supervision strategy consistent with the DFSA's strategic and business objectives. Mr. Baldacchino has 25 years of experience in international finance and brings a wealth of expertise in regulatory interpretation, liaison and implementation. His background encompasses private, commercial, corporate, institutional and investment banking, with a focus on risk, regulatory affairs, compliance, credit, operational and market risk, governance, anti-money laundering, capital, liquidity, innovation and technology. Previously, Mr. Baldacchino served as the Head of Regulatory Compliance for ANZ Bank, leading the strategic management of regulator relationships in Australia. Prior to that, he worked at JP Morgan in Hong Kong, and was also the Head of Compliance and Risk Governance, Asia for National Australia Bank. Certified as an AML Specialist, Mr. Baldacchino has served as an Executive Board Member for the Association of Certified Anti-Money Laundering Specialists in Hong Kong. He is currently a member of The Basel Consultative Group, fostering collaboration on banking supervisory issues globally.



Charlotte Robins
— Managing Director, Policy and Legal

Charlotte Robins joined the DFSA in 2024 as Managing Director, Policy and Legal. She is responsible for leading the further development of the DFSA's policy framework, managing legal risks, providing comprehensive legal advice and support across all DFSA functions, as well as drafting the administrative laws and rules that form the DFSA's regulatory framework. Prior to joining the DFSA, Ms. Robins accumulated more than 20 years of experience as a private practice lawyer in Hong Kong. In that time she advised a diverse range of financial institutions including investment and private banks, fund and wealth managers, and insurance companies on financial services regulation covering conduct and prudential requirements, strategic business development, regulatory change and risk management. Ms. Robins began her career at Linklaters, joining Clifford Chance in 2002, and became a partner at Norton Rose Fulbright in 2011. In 2016 she joined at A&O Shearman (formerly Allen & Overy) as a Partner.



Muna Dandan
— General Counsel and Secretary to the Board

Muna Dandan joined the DFSA in 2015. As General Counsel and Secretary to the Board, she is the primary legal advisor to the Board of Directors, responsible for advising the Board and its various committees on governance and legal matters. Ms Dandan also oversees the Board Secretariat function, ensuring the effective management of the affairs of the Board and its committees. Ms. Dandan is a member of the DFSA's Executive Committee, supporting the Chief Executive in managing the DFSA's operations and driving the implementation of the strategy set by the Board. Her responsibilities further extend to the oversight of the DFSA's governance systems and controls. Previously Ms. Dandan spent five years as Head of Legal for the corporate and retail banking businesses of Barclays Bank PLC across the Middle East. Before that, she served as Senior Legal Advisor for HSBC Bank Middle East Limited. Ms. Dandan holds a UK law degree and is qualified to practice law in England and Wales, and in Hong Kong.

Financial Statements

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Independent Auditor's Report



To the Board of Dubai Financial Services Authority

Report on the audit of the financial statements

Our opinion

We have audited the financial statements of **Dubai Financial Services Authority** (the "DFSA" or "Authority"), which comprise the statement of financial position as at 31 December 2025 and the statements of financial performance, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the DFSA as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the DFSA in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the DFSA's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities requirements in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon and the annual report, which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSASs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing DFSA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the DFSA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the DFSA's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DFSA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DFSA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the DFSA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte & Touche (M.E.)

Firas Anabtawi
Registration No.: 5482
25 March 2026
Dubai
United Arab Emirates

Statement of Financial Position

for the year ended 31 December 2025

	Notes	As at 31 December	
		2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	5,824	7,533
Intangible assets	6	7,634	5,429
Right-of-use assets	7	2,921	–
Total non-current assets		16,379	12,962
Current assets			
Other receivables	8	34,103	30,852
Cash and bank balances	9	335,741	227,036
Defined benefit plan net assets	10	5,181	4,852
Total current assets		375,025	262,740
TOTAL ASSETS		391,404	275,702
EQUITY AND LIABILITIES			
Equity			
Contributed capital		5,755	5,755
Reserve of the DFSA	3.10	223,403	171,299
Employees' end of service benefit scheme cumulative actuarial gain		3,420	3,346
Net equity		232,578	180,400
LIABILITIES			
Non-current liabilities			
Lease liability	7	1,031	–
Total non-current liability		1,031	–
Current liabilities			
Fee income received in advance	3.9	126,956	69,619
Creditors, accruals and other liabilities	11	29,347	25,683
Lease liability	7	1,492	–
Total current liabilities		157,795	95,302
Total liabilities		158,826	95,302
TOTAL EQUITY AND LIABILITIES		391,404	275,702

These financial statements on pages 94 to 121 were approved for issue by the Board of Directors on 25 March 2026.

Signed on behalf of the DFSA Board

Statement of Financial Performance

for the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 AED'000	2024 AED'000
Income			
Appropriations from government fee income	3.9	84,180	84,180
Fines levied	3.9	1,677	10,585
Fee income	3.9	162,261	119,880
Other income	13	6,741	7,208
Total income		254,859	221,853
Expenses			
Staff costs	14	(146,104)	(148,224)
General and administrative expenses	15	(42,691)	(39,516)
Loss allowance on fee income receivable	8	(1,940)	(1,045)
Board of Directors' costs	16	(11,249)	(9,506)
Finance expenses	17	(181)	–
Financial markets tribunal costs		(590)	(356)
Total expenses		(202,755)	(198,647)
EXCESS OF INCOME OVER EXPENDITURE		52,104	23,206

Statement of Changes in Equity

for the year ended 31 December 2025

	Contribution capital AED'000	Reserve of the DFSA AED'000	Employees' end of service benefit scheme cumulative actuarial gain AED'000	Accumulated surplus AED'000	Total AED'000
At 1 January 2024	5,755	148,093	1,670	–	155,518
Excess of income over expenditure	–	–	–	23,206	23,206
Transfer to Reserve of the DFSA (Note 3.10)	–	23,206	–	(23,206)	–
Remeasurement of net defined benefit asset (Note 10)	–	–	1,676	–	1,676
At 31 December 2024	5,755	171,299	3,346	–	180,400
Excess of income over expenditure	–	–	–	52,104	52,104
Transfer to Reserve of the DFSA (Note 3.10)	–	52,104	–	(52,104)	–
Remeasurement of net defined benefit asset (Note 10)	–	–	74	–	74
At 31 December 2025	5,755	223,403	3,420	–	232,578

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2025

	Notes	Year ended 31 December	
		2025 AED'000	2024 AED'000
Cash flows from operating activities			
Excess of income over expenditure		52,104	23,206
Adjustments for the following items:			
Depreciation on property and equipment	5	1,863	1,999
Amortisation	6	1,282	578
Depreciation on right-of-use assets	7	1,947	–
Gain on sale of property and equipment	13	–	(190)
Provision for end of service benefits	14	4,285	4,554
Interest income	13	(6,741)	(7,018)
Loss allowance on fee income receivable	8	1,940	1,045
Interest on lease liability	17	181	–
Other non-cash transactions		(254)	375
Operating cash flows before payment of amount payable to Government and changes in working capital		56,607	24,549
Changes in working capital			
Contributions made for the end of service benefits	14	(4,285)	(4,554)
Other receivables, net of interest		(5,244)	1,474
Fee income received in advance		56,526	(11,536)
Creditors, accruals and other liabilities		3,663	740
Net cash generated from operating activities		107,267	10,673
Cash flows from investing activities			
Purchase of property and equipment	5	(154)	(1,940)
Purchase of intangible assets	6	(3,487)	(3,685)
Proceeds from sale of property and equipment		–	190
Interest received		7,637	3,342
Movement in fixed deposits with maturity terms exceeding 3 months		(23,356)	(85,167)
Net cash used in investing activities		(19,360)	(87,260)
Cash flows from financing activities			
Payment of principal portion of lease liability	7	(2,345)	–
Payment of interest on lease liability	7	(213)	–
Net cash used in financing activities		(2,558)	–
Net increase/(decrease) in cash and cash equivalents		85,349	(76,587)
Cash and cash equivalents at 1 January	9	78,943	155,530
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9	164,292	78,943

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2025

1. General information

The Dubai Financial Services Authority ("DFSA") was established by Dubai Law No (9) of 2004 (which was repealed by Dubai Law No. 5 of 2021) as an independent regulatory authority responsible for the regulation of financial and related activities at the Dubai International Financial Centre ("DIFC"). In accordance with Dubai Law No. (5) of 2021, the DFSA is and will continue to be independently funded by the Government of Dubai ("Government") to enable it to exercise its powers and perform its functions.

These financial statements were approved for issue by the Board of Directors of the DFSA on 25 March 2026.

2. Adoption of new and revised International Public Sector Accounting Standards (IPSASs)

2.1 New IPSAS applied with a material effect on the financial statements

The DFSA has initially applied IPSAS 43 from 1 January 2025. A number of other new standards and revisions are also effective from 1 January 2025, but they do not have a material effect on the DFSA's financial statements.

IPSAS 43 Leases

IPSAS 43, issued in January 2022 and effective for annual periods beginning on or after 1 January 2025, introduces a single lessee accounting model that requires lessees to recognise right-of-use assets and corresponding lease liabilities for most lease arrangements. The Standard replaces the previous lessee accounting requirements under IPSAS 13 Leases.

The Standard was applied using the modified retrospective (cumulative catch-up) approach, under which the cumulative effect of initial application was recognised as at 1 January 2025. Accordingly, comparative information for prior periods has not been restated and continues to be presented in accordance with IPSAS 13.

On transition to IPSAS 43, the Authority elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Authority applied IPSAS 43 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IPSAS 13 were not reassessed for whether there is a lease under IPSAS 43. Therefore, the definition of a lease under IPSAS 43 was applied only to contracts entered into or changed on or after 1 January 2025.

Key changes in accounting policy arising from the adoption of IPSAS 43

- Lessees are required to recognise right-of-use assets and lease liabilities for leases previously classified as operating leases under IPSAS 13, except for leases qualifying for recognition exemptions.
- Right-of-use assets are initially measured at an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments.
- Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Authority's incremental borrowing rate as at the date of initial application.

The Authority elected to apply the short-term lease exemption for leases with a lease term of twelve months or less, with lease payments relating to such leases recognised as an expense on a straight-line basis over the lease term.

The Authority applied the practical expedient on transition and did not reassess whether a contract is, or contains, a lease at the date of initial application as of 1 January 2025.

2.2 New IPSAS applied with a material effect on the financial statements

Impact on transition to IPSAS 43

On transition to IPSAS 43, the Authority recognised right-of-use assets and corresponding lease liabilities in respect of lease contracts existing at the date of initial application that do not qualify for the short-term lease exemption, measured based on the remaining lease term only. The impact on transition is summarised below.

	1 January 2025 AED'000
Right-of-use asset	4,868
Lease liability	4,868
Net impact on retained earnings	-

When measuring lease liabilities for leases that were classified as operating leases, the DFSA discounted lease payments using its incremental borrowing rate at 1 January 2025. The rate applied is 4.44%.

	1 January 2025 AED'000
Operating lease commitments on 31 December 2024 as disclosed under IPSAS 13 in the DFSA's financial statements	15,753
Recognition exemption for leases with less than 12 months of lease term at transition*	(8,554)
	7,199
Discounted using the incremental borrowing rate on 1 January 2025	4,868
Lease liability recognised on 1 January 2025	4,868

* Lease arrangements qualifying for the short-term lease exemption were excluded from recognition, and lease payments relating to such arrangements continue to be recognised as an expense (Note 15).

2.3 New IPSASs in issue but not yet effective

The DFSA has not applied the following new IPSASs that have been issued but are not yet effective:

	New and revised IPSASs	Effective for annual periods beginning on or after
<i>IPSAS 47 Revenue</i>		1 January 2026
IPSAS 47 Revenue, is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models which will improve financial reporting and support effective public sector financial management.		
<i>IIPSAS 48 Transfer Expenses</i>		1 January 2026
IPSAS 48, Transfer Expenses, provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector.		
<i>IIPSAS 50 Exploration for and Evaluation of Mineral Resources and Stripping Costs in the Production Phase of a Surface Mine</i>		1 January 2027
<i>IPSAS 50, Exploration for and Evaluation of Mineral Resources and Stripping Costs in the Production Phase of a Surface Mine, provides guidance related to the costs incurred for exploration for, and evaluation of, mineral resources (for example, minerals, oil, natural gas and similar non-regenerative resources), as well as the costs of determining the technical feasibility and commercial viability of extracting the mineral.</i>		

Management is assessing the impact of adopting of the above new IPSASs on the financial position or performance of the DFSA. However, it might give rise to amendments to the presentation of the financial statements and additional or amended disclosures.

IPSAS 47 Revenue

IPSAS 47 first requires an entity to determine at inception whether its revenue arises from a transaction with a binding arrangement, to determine the appropriate accounting model. The principles within the models enable an entity to reflect the substance of its revenue transaction.

For an agreement to be binding, it must be enforceable through legal or equivalent means. Enforceability can arise from various mechanisms so long as the mechanism(s) provide(s) the entity with the ability to enforce the terms of the binding arrangement and hold the parties accountable for the satisfaction of their obligations.

Revenue from transactions without binding arrangements

An entity determines whether any of its rights in the arrangement meet the definition and recognition criteria of an asset, and whether any of its obligations meet the definition and recognition criteria of a liability.

Revenue from transactions without binding arrangements are recognised when (or as) the entity satisfies any enforceable obligations associated with the inflow (or right to inflow) or resources that meet the definition of a liability or immediately if the entity does not have an enforceable obligation associated with the inflow (or right to inflow) of resources and is measured at the amount of the increase in the entity's net assets.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

Revenue from transactions with binding arrangements

An entity shall account for a binding arrangement using the binding arrangement accounting model if all the following criteria are met:

- The parties to the binding arrangement have approved the binding agreement (in writing, orally or in accordance with other customary practices) and are committed to perform their respective obligations;
- The entity can identify each party's rights under the binding arrangement;
- The entity can identify the payment term for the satisfaction of each identified compliance obligation;
- The binding arrangement has economic substance (i.e. risk, timing or amount of the entity future cash flows or service potential is expected to change as a result of the binding arrangement); and
- It is probable that the entity will collect consideration to which it will be entitled for satisfying its compliance obligations in accordance with the terms of the binding arrangement. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the resource provider's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the entity will be entitled may be less than the transaction consideration stated in the binding arrangement if the consideration is variable because the entity may offer the resource provider a price concession.

When a binding arrangement does not meet all the above criteria, the entity shall recognise any consideration received as revenue only when either of the following events has occurred:

- The entity has fully satisfied its compliance obligation to which the consideration that has been received relates and the consideration received from the resource provider is non-refundable; or
- The binding arrangement has been terminated and the consideration received from the resource provider is non-refundable.

If an entity has determined that its revenue arises from a transaction with a binding arrangement that is to be accounted for using the binding arrangement accounting model, the entity shall also consider whether it should be combined with other binding arrangements, and whether there are any modifications to its binding arrangement.

At the inception of the binding arrangement, an entity shall assess the goods and services promised in a binding arrangement with a resource provider and shall identify as a compliance obligation each promise to use resources internally for, or transfer to an external party or parties either:

- A good or service (or a bundle of goods or services) that is distinct; or
- A series of distinct goods or services that are substantially the same in characteristics and risks and that have the same pattern of use internally or transfer to the purchaser or third-party beneficiary.

A binding agreement has at least one compliance obligation because its enforceability holds the entity accountable for satisfying its obligations of the arrangement, for which the entity has little or no realistic alternative to avoid.

When an entity receives an inflow of resources in a revenue transaction with a binding arrangement that meets the definition of and recognition criteria for an asset, the entity shall recognise:

- Revenue from any satisfied compliance obligation in respect of the same inflow; and
- A liability for an unsatisfied compliance obligation in respect of the same inflow.

The timing of revenue recognition is determined by the nature of the requirements in a binding arrangement and their settlement. An entity shall recognise revenue from a transaction with a binding arrangement when (or as) the entity satisfies a compliance obligation by using resources in the specified manner, in compliance with the terms of the binding arrangement, either over time or at a point in time. The entity shall reduce the carrying amount of any liability that was recognised by an equal amount.

When (or as) a compliance obligation is satisfied, an entity shall recognise as revenue the amount of transaction consideration (which excludes estimates of variable consideration that are constrained) that is allocated to that compliance obligation.

Management anticipates that IPSAS 47 will be applied in the DFSA financial statements for the annual period beginning 1 January 2026.

3. Summary of significant accounting policies

3.1 Basis of preparation

Effective 1 January 2014, the DFSA adopted International Public Sector Accounting Standards ("IPSAS"). Accordingly, the financial statements have been prepared in accordance with IPSAS. Where an IPSAS does not address a particular issue, the relevant International Financial Reporting Standard ("IFRS") has been applied.

The financial statements have been prepared under the historical cost convention. The cash flow statements are prepared using the indirect method. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. While the DFSA has adopted IPSAS as its reporting framework, it operates as an independent regulatory authority and its budgets are not made publicly available. Therefore, the Directors do not consider it appropriate to publish budget information (IPSAS 24, Presentation of budget information in financial statements).

These financial statements are prepared on an accrual basis and cover the period from 1 January to 31 December 2025.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3.2 Foreign currency translation

(a) Functional and presentation currency

The functional currency of the DFSA, being the currency in which the majority of its transactions are denominated, is the Arab Emirates Dirham (AED).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

For presentation purposes only, these financial statements have also been translated into US Dollars at the fixed rate of exchange of US Dollar 1 – AED 3.67. The translated primary financial statements are unaudited.

3.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The historical cost consists of expenses related directly to the acquisition of the asset.

Depreciation and amortisation are computed using the straight-line method, at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives as follows:

	Years
Leasehold improvements	10
Furniture and fittings	7
Office equipment	5
Computer equipment	3–5
Motor vehicles	3

Capital work-in-progress, comprising both leasehold improvements and computer equipment, is stated at cost and transferred to the appropriate asset category when it is brought into use.

Subsequent costs incurred are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the asset will flow to the DFSA.

Gains and losses on disposal of property and equipment are determined by comparing the sales proceeds to the carrying amount of the assets disposed of and are considered in determining the surplus/deficit for the year. Repairs and renewals are charged to the statement of financial performance when the expense is incurred.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

The assets' residual lives are reviewed, and adjusted if appropriate, at each reporting date. The gain or loss on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of performance. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

3.4 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over an estimated useful life of 5 years. The estimated useful lives are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Capital work-in-progress relates to computer software, is stated at cost and transferred to the appropriate asset category when it is brought into use.

Development costs that are directly associated with identifiable and unique software controlled by the DFSA are recorded as intangible assets if an inflow of incremental economic benefits exceeding costs is probable. Capitalised costs include employee benefits expense of the software development team and an appropriate portion of relevant overheads. All other costs associated with computer software, e.g. its maintenance, are expensed when incurred.

3.5 Impairment

At the end of each reporting period, the DFSA reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised immediately in the statement of financial performance, unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimation of the recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset in the prior years. A reversal of an impairment loss is recognised immediately in the statement of financial performance, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.6 Fees and litigation costs receivable

Fees and litigation costs receivables are carried at anticipated realisable value. Specific provision is made for fees and litigation costs receivable that are considered doubtful for recovery. Bad debts are written off during the period in which they are identified.

3.7 Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost using the effective interest method.

3.9 Revenue from non-exchange transactions

(a) Appropriations from Government Fee income

The DFSA receives grants from the Government for general purposes, to enable the DFSA to carry on its operations. The DFSA recognises revenues from grants when the right to receive the grant is established and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognised instead of revenue. Where such grants have no stipulations attached to them, and no performance obligations imposed by Government, the DFSA recognises an asset (cash or an appropriate asset) and revenue in the statement of financial performance.

Funds received in advance from the Government for meeting budgeted operational expenditure for the following year are treated as funds received in advance under current liabilities and are appropriated in the financial statements of the following year.

Funds remitted to the Government are recognised as an appropriation from accumulated surplus or as a reduction in contributed capital, as appropriate, in the year in which the appropriation is approved by the Board of Directors of the DFSA.

(b) Fines levied

Fine income received in connection with breaches of regulations in the DIFC is to be included in the statement of financial performance in the year in which the income is received. Should this result in a surplus for the year, the surplus is transferred to Reserve of the DFSA (Note 3.10).

(c) Fee income

Application fees are recognised as income when invoiced. Annual fees are recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

3.10 Reserve of the DFSA

The Reserve of the DFSA is available to meet contingencies arising from the discharge of the DFSA's regulatory responsibilities. This reserve could be called upon to cover expenditure in excess of revenues in a particular financial year. On 7 January 2020, HH Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai approved the Regulatory Amendment Law (DIFC Law No 2 of 2020) which amended Regulatory Law No 1 of 2004 by inserting a new Article on General Reserve.

The changes provide that the DFSA shall maintain a general reserve equal to two times its annual expenditure and that the DFSA may apply any income, penalty or surplus towards meeting the general reserve. The amounts distributed from this Reserve are at the discretion of the Board of Directors. The surplus/deficit for the year is appropriated to the Reserve of the DFSA on an annual basis.

3.11 Employee benefits and post-employment benefits

Provision was made for the estimated liability for annual leave costs as a result of services rendered by eligible employees up to the balance sheet date. This provision is included in employee related accruals in creditors, accruals and other liabilities.

Starting from September 2022 DFSA has moved to the DIFC Employee Workplace Saving ("DEWS") scheme. This is a progressive end-of-service benefits plan for expatriates working in the DIFC that was launched on 1st February 2020 in response to changes in the DIFC Employment Law.

From the 1 September 2022, in accordance with the DEWS scheme, a monthly contribution is remitted to Equiom (Isle of Man) Limited DIFC Branch (Master Trustee) for each employee based on a percentage of basic salary and length of service.

Provision for the previous pension scheme was made for the full amount of end of service benefits due to non-UAE nationals, in accordance with the DIFC Employment Law No. 2 of 2019, for their periods of service up to the balance sheet date.

An amount equivalent to the provision made was remitted to the DFSA EOSG Trust. End of service benefit distributions to eligible employees were made by the trustee as directed by the DFSA.

UAE National employees are members of the Government-managed retirement pension and social security benefit scheme. As per Federal Labour Law No.7 of 1999, the DFSA has contributed and recognised a liability of 15% of the "contribution calculation salary" of UAE payroll costs to the retirement benefit scheme to fund the benefits for the UAE national employees. Pension contributions in respect of UAE nationals under a defined benefit contribution scheme are recognised as an expense in the period to which they relate.

3.12 Leases

Accounting policy on adoption of IPSAS 43 (applicable from 1 January 2025)

At inception of a contract, the DFSA assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the DFSA uses the definition of a lease in IPSAS 43.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

As a lessee

Right-of-use assets: recognition and measurement

At commencement or on modification of a contract that contains a lease component, the DFSA allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the DFSA has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The DFSA recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any material initial direct costs incurred and an estimate of material costs to dismantle and remove the underlying asset (or to restore the underlying asset or the site on which it is located) less any lease incentives received.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the DFSA by the end of the lease term or the cost of the right-of-use asset reflects that the DFSA will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities: recognition and measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the DFSA's weighted average incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the DFSA is reasonably certain to exercise, lease payments in an optional renewal period if the DFSA is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the DFSA is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the DFSA's estimate of the amount expected to be payable under a residual value guarantee, if the DFSA changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Presentation

The DFSA presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The DFSA has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The DFSA recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Accounting policy under IPSAS 13 (applicable before 1 January 2025)

Where DFSA is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to DFSA, the total lease payments are charged to profit or loss for the year on a straight-line basis over the lease term. The lease term is the noncancelable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

3.13 Financial instruments

Financial assets and financial liabilities are recognised in the DFSA's statement of financial position when, and only when, the DFSA becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through surplus or deficit) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through surplus or deficit are recognised immediately in surplus or deficit.

All regular way purchases or sales of financial assets are recognised and derecognised, as applicable, using trade or settlement date accounting. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through surplus or deficit (FVTSD).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the financial asset on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial asset and in the allocation and recognition of the interest revenue in surplus or deficit over the relevant period.

Interest revenue is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest revenue is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest revenue is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the DFSA recognises interest revenue by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

Impairment of financial assets

The DFSA recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The DFSA always recognises lifetime ECL for receivables that result from exchange transactions that are within the scope of IPSAS 9 *Revenue from Exchange Transactions* and non-exchange transactions within the scope of IPSAS 23 *Revenue from Non-Exchange Transactions (Taxes and Transfers)*. The expected credit losses on these financial assets are estimated in a way that reflects unbiased and probability-weighted amount and reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the DFSA recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the DFSA measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses at reporting report date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the DFSA compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the DFSA considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The DFSA regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The DFSA assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The DFSA employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the DFSA.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The DFSA writes off a financial asset when there is no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the DFSA's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the DFSA in accordance with the contract and all the cash flows that the DFSA expects to receive, discounted at the original effective interest rate.

If the DFSA retains substantially all the risks and rewards of ownership of a transferred financial asset, the DFSA continues to recognise the financial asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in surplus or deficit.

Classification of and measurement financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method except for:

- financial liabilities at FVTSD are measured subsequently at fair value; and
- financial guarantee contracts and commitments to provide loan at a below-market interest rate are measured subsequently at higher of the amount of the loss allowance and the amount initially recognised less cumulative amount of amortization recognised.

The effective interest method is a method of calculating the amortised cost of a financial liability and in allocating interest expense in surplus or deficit over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The DFSA derecognises financial liabilities when, and only when, the DFSA's obligations are discharged, waived, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the sum of the consideration paid and payable is recognised in surplus or deficit.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.14 Segment reporting

DFSA's operations are limited to regulation of financial and related activities in the DIFC. The financial information reported to the governing body and the Directors does not present expenses, revenues, assets and liabilities by service line, geography, or any other segment.

The management of DFSA believes segment reporting is not meaningful to the users of these financial statements. Accordingly, DFSA does not present segment information in accordance with the requirements of IPSAS 18, Segment Reporting.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

4. Critical accounting judgments and key sources of estimation

In the application of the DFSA's accounting policies, which are described in Note 3, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimating uncertainty at the end of the reporting period, that have a significant risk in causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Employee benefits and post-employment benefits

Starting from September 2022 DFSA has joined DIFC Employee Workplace Saving ("DEWS") scheme replacing the previous defined benefit scheme offered to employees. As at the year end there are a number of employees whose end of service gratuity is calculated in line with the previous scheme up until the changeover date. As such there remain key estimates and judgements as below.

The present value of the defined benefit plan net assets/liabilities depends on a number of factors that are determined using actuarial techniques and assumptions. These assumptions include the discount rate, salary escalation rate and withdrawal rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan net assets/liabilities.

As per IPSAS39, an entity makes a judgment whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the end of the reporting period on government bonds, high quality corporate bonds (typically taken to be AA rated corporate bonds), or by another financial instrument.

Since there are no high-quality corporate bonds in UAE and there is no adequate liquidity in Government Bonds, DFSA has used yields on high-quality US corporate bonds (FTSE Above Median Double-A Curve) based on market conditions as at 31 December 2025. Setting the discount rate with reference to US corporate bonds is a commonly used approach by companies in the UAE as the local currency is pegged to the US dollar.

The salary escalation assumption takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Withdrawal rate assumptions are based on average withdrawal rates during last three years. DFSA changed the discount rate, salary escalation rate and withdrawal rate assumptions (Note 10).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the DFSA's incremental borrowing rate ("IBR"). For calculation of IBR, the DFSA has taken the interest rate at the rate of 4.4% per annum as on the transition date and the rate is adjusted for the DFSA's specific risk, term risk and underlying asset risk.

5. Property and equipment

	Leasehold improvements AED'000	Furniture and fittings AED'000	Office equipment AED'000	Computer equipment AED'000	Motor vehicles AED'000	Total AED'000
Cost						
At 1 January 2023	18,271	5,535	1,275	13,238	343	38,662
Additions	–	11	–	1,458	471	1,940
Disposals	–	–	–	–	(343)	(343)
At 31 December 2024	18,271	5,546	1,275	14,696	471	40,259
Additions	–	8	–	146	–	154
Disposals	–	–	–	–	–	–
At 31 December 2025	18,271	5,554	1,275	14,842	471	40,413
Accumulated depreciation						
At 1 January 2023	15,459	3,384	680	11,204	343	31,070
Charge for the year	356	499	173	862	109	1,999
Eliminated on disposals	–	–	–	–	(343)	(343)
At 31 December 2024	15,815	3,883	853	12,066	109	32,726
Charge for the year	335	491	133	747	157	1,863
Eliminated on disposals	–	–	–	–	–	–
At 31 December 2025	16,150	4,374	986	12,813	266	34,589
Net book value						
At 31 December 2025	2,121	1,180	289	2,029	205	5,824
At 31 December 2024	2,456	1,663	422	2,630	362	7,533

The depreciation charge for the year ended 31 December 2025 is recognised under general and administrative expenses amounting to AED 1,863 thousand (2024: AED 1,999 thousand) (Note 15).

6. Intangible assets

	Software AED'000	Capital work in progress AED'000	Total AED'000
Cost			
At 1 January 2024	28,315	1,930	30,245
Additions	–	3,685	3,685
Transfer from capital work in progress	4,175	(4,175)	–
At 31 December 2024	32,490	1,440	33,930
Additions	–	3,487	3,487
Transfer from capital work in progress	4,927	(4,927)	–
At 31 December 2025	37,417	–	37,417
Accumulated amortisation			
At 1 January 2024	27,923	–	27,923
Charge for the year (Note 15)	578	–	578
At 31 December 2024	28,501	–	28,501
Charge for the year (Note 15)	1,282	–	1,282
At 31 December 2025	29,783	–	29,783
Net book value			
At 31 December 2025	7,634	–	7,634
At 31 December 2024	3,989	1,440	5,429

7. Leases

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

On 1 January 2025, the Authority adopted IPSAS 43 Leases for the first time in respect of its office premises leased at Level 12, DIFC Gate Building. The Standard was applied using (cumulative catch-up) approach. Accordingly, the cumulative effect of initially applying the Standard was recognised as at 1 January 2025.

Right-of-use assets and corresponding lease liabilities were recognised in respect of lease contracts existing at the date of initial application, based on the remaining lease term only. Comparative information for prior periods has not been restated.

Right-of-use assets included in the statement of financial position:

	2025 AED'000	2024 AED'000
Cost		
At 1 January 2025	4,868	–
At 31 December 2025	4,868	–
Accumulated depreciation		
At the beginning of the year	–	–
Charge for the year (Note 15)	1,947	–
At 31 December 2025	1,947	–
Net book value		
At 31 December 2025	2,921	–

Lease liability included in the statement of financial position:

	2025 AED'000	2024 AED'000
At 1 January 2025	4,868	–
Interest (Note 17)	181	–
Payments	(2,526)	–
At 31 December 2025	2,523	–
Less: current portion	(1,492)	–
Non-current portion	1,031	–

Leases under IPSAS 43	2025 AED'000	2024 AED'000
Depreciation on right-of-use assets (Note 15)	1,947	–
Interest on lease liability (Note 17)	181	–

Amounts recognised in statement of cash flows

	2025 AED'000	2024 AED'000
Total cash outflow for leases		
- Payment of principal amounts	(2,345)	–
- Payment of interest	(213)	–
	(2,559)	–

Maturity analysis – contractual undiscounted cash flows commitments

	2025 AED'000	2024 AED'000
Within one year	10,513	10,588
2 to 5 years	40,353	5,165
More than 5 years	58,393	–
Undiscounted lease commitments	109,259	15,753

The DFSA has signed a lease agreement on 12 December 2025 commencing 1 January 2026 for an initial term of 5 years with an option to extend for an additional 5 years. Management is reasonably certain to exercise this extension option. Accordingly, the lease commitments disclosed above reflect the total lease payments for the full 10-year lease term. On 1 January 2026, right-of-use assets to be recognised in relation to this lease will be based on the present value of future lease payments discounted using the incremental borrowing rate applied on 1 January 2026.

8. Other receivables

	2025 AED'000	2024 AED'000
Fee income receivable	8,221	3,970
Less: loss allowance	(4,764)	(2,824)
	3,457	1,146
Prepayments	25,144	22,137
VAT receivables	668	1,668
Other current assets	4,834	5,901
	34,103	30,852

Prepayments include rent prepaid to the DIFC amounting to AED 2,271 thousand (2024: AED 512 thousand).

The movement in loss allowance on fee income receivable is as follows:

	2025 AED'000	2024 AED'000
At 1 January	2,824	1,779
Charge for the year	1,940	1,045
At 31 December	4,764	2,824

The ageing of fee income receivable is as follows:

	31 December 2025 AED'000	31 December 2024 AED'000
Current	1,184	513
1 – 30 days	438	549
31 – 60 days	43	52
61 – 90 days	434	52
91 – 180 days	734	94
181 – 365 days	2,658	282
Over 365 days	2,730	2,428
	8,221	3,970

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

9. Cash and bank balances

	2025 AED'000	2024 AED'000
Current accounts	164,257	78,908
Fixed deposits	171,449	148,093
Cash on hand	35	35
Cash and bank balances	335,741	227,036

Cash and cash equivalents include the following for the purposes of statement of cash flows:

	2025 AED'000	2024 AED'000
Cash and bank balances	335,741	227,036
Less: Fixed deposits with maturity terms exceeding 3 months	(171,449)	(148,093)
Cash and cash equivalents	164,292	78,943

All bank balances are held with banks licensed in the United Arab Emirates. The interest rate on fixed deposit accounts was in the range of 3.40% to 4.10% per annum for the year ended 31 December 2025 (2024: 3.68% to 5.00%).

10. Defined benefit plan net assets

The following summarises the components of net defined benefit expense recognised in the statement of financial performance:

	2025 AED'000	2024 AED'000
Present value of defined benefit obligations	(6,897)	(9,229)
Fair value of plan assets	12,078	14,081
Net defined benefit asset	5,181	4,852

Changes in the present value of the defined benefit obligation are as follows:

	2025 AED'000	2024 AED'000
At 1 January	(9,229)	(14,028)
Current service costs	–	–
Interest cost	(454)	(626)
Actuarial gain	1,384	3,428
Benefits paid from plan	1,402	1,997
At 31 December	(6,897)	(9,229)

Changes in the fair value of plan assets are as follows:

	2025 AED'000	2024 AED'000
At 1 January	14,081	17,579
Employer contribution	–	–
Expected return on plan assets	708	251
Actuarial loss	(1,309)	(1,752)
Benefits paid from plan	(1,402)	(1,997)
At 31 December	12,078	14,081

Plan assets are comprised of cash at bank for 100% (2024: 100%).

The significant actuarial assumptions in calculating the defined benefit obligation are estimates of the long term salary growth rate of 3% (2024: 3%), the discount rate representing the time value of money of 5% (2024: 5.25%) and the rate of withdrawal of employees from the scheme of 10% (2024: 10%).

The sensitivity of the defined benefit obligation to changes in these assumptions (on the basis that the other assumptions remain the same) is:

	Estimate	Change in assumption	Increase/(Decrease) in defined benefit obligation AED'000
Salary growth rate	3%	+1% / -1%	430 / (392)
Discount rate	5%	+1% / -1%	(381) / 425
Withdrawal rate	10%	+5% / -5%	199 / (305)

11. Creditors, accruals and other liabilities

	2025 AED'000	2024 AED'000
Trade creditors	5,870	3,658
Employee related accruals	16,731	17,809
Other accruals	6,746	4,216
	29,347	25,683

12. Related party transactions and balances

Related parties comprise the Government of Dubai, key management, and entities that operate together to achieve the policies of the government in Dubai. The DFSA is responsible for the regulation of financial and related activities at the DIFC and operates to achieve the goals and the policies set by the Government.

Balances with related parties arise generally from commercial transactions in the normal course of business on an arm's length basis.

Related party transactions are as follows:

	2025 AED'000	2024 AED'000
Related party transactions		
Appropriations from government	84,180	84,180
Office rent – DIFC	8,581	10,321

	2025 AED'000	2024 AED'000
Key management remuneration		
Salaries and performance bonus	18,352	18,352
Other emoluments and benefits	1,961	1,961
	20,313	20,313

Refer to Note 15 for details of the Board of Directors' costs.

The DFSA has leased their office premises from the DIFC. The related party transactions and balances with the DIFC in respect of these leases have been presented in Note 7. The office rent presented above, for the year ended 31 December 2025, refers to the amounts where a right-of-use asset and corresponding lease liability have not been recognised due to the recognition exemption taken by the DFSA.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

13. Other income

	2025 AED'000	2024 AED'000
Interest income on fixed deposits	6,741	7,018
Gain on sale of property and equipment	–	190
	6,741	7,208

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable. Interest income is classified as unrestricted other income as it is generated mostly from the DFSA's unrestricted term deposits.

14. Staff costs

	2025 AED'000	2024 AED'000
Salaries	74,141	75,598
Other benefits	67,678	68,072
Employees' end of service benefits	4,285	4,554
	146,104	148,224

15. General and administrative expenses

	2025 AED'000	2024 AED'000
Software licensing and maintenance	9,534	8,083
Office rent*	8,581	10,321
Legal, consultancy and professional fees	4,684	6,322
Regulatory travel, conferences, seminars and training	3,614	3,343
Recruitment costs	3,142	1,843
Communication and IT systems and equipment maintenance	3,000	2,567
Depreciation on right-of-use assets	1,947	–
Depreciation on property and equipment	1,863	1,999
Marketing expenses	1,759	1,187
Amortisation	1,282	578
Vehicle lease and maintenance	21	30
Other expenses	3,264	3,243
	42,691	39,516

* On transition to IPSAS 43 – Leases, the DFSA elected to apply the short-term lease exemption for the lease expiring within twelve months from the date of initial application. Accordingly, the DFSA did not recognise a right-of-use asset or a corresponding lease liability in respect of this lease, as the lease term expires on 31 December 2025.

Lease payments relating to this lease recognised as an expense on a straight-line basis over the lease term and are included within general and administrative expenses.

16. Board of directors' costs

	2025 AED'000	2024 AED'000
Retainer fees	7,605	7,147
Travel	871	651
Other	2,773	1,708
	11,249	9,506

17. Finance expenses

	2025 AED'000	2024 AED'000
Interest on lease liability	181	–
	181	–

18. Capital commitments

	2025 AED'000	2024 AED'000
Intangible assets	–	1,440
	–	1,440

These commitments represent the value of contracts issued, net of invoices received, and accruals made at the reporting date.

19. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Categories of financial instruments

	2025 AED'000	2024 AED'000
FINANCIAL ASSETS		
At amortised cost:		
Other receivables (excluding prepayments, VAT receivables and other current assets)	3,457	1,146
Cash and bank balances	335,741	227,036
	339,198	228,182
FINANCIAL LIABILITIES		
At amortised cost:		
Lease liability	2,523	–
Creditors, accruals and other liabilities	28,840	25,683
	31,363	25,683

(c) Fair value of financial instruments

The fair value of financial assets and liabilities approximates their carrying value as at the reporting date.

20. Financial risk management

20.1 Financial risk factors

The DFSA's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest risks), credit risk and liquidity risk. The DFSA's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of these risks on the DFSA's financial performance. DFSA management seeks to avoid risks by not engaging in transactions with foreign suppliers. DFSA doesn't have agreements with floating interest rates and closely monitors monetary balances.

(a) Currency risk

The DFSA is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities in the financial statements. Transactions in US Dollars have limited foreign exchange risk as the UAE Dirham is pegged to the US Dollar and accordingly the DFSA's foreign exchange risk with respect to such transactions is insignificant.

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect the net finance cost or income of DFSA. The DFSA does not have assets and liabilities that are materially dependent on interest rate levels; therefore management believes that the DFSA has no significant exposure to interest rate risk. DFSA does not have formal policies and procedures in place for the management of interest rate risks as management considers this risk as insignificant.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the DFSA. The DFSA is exposed to credit risk on its fee income receivable and bank balances.

The DFSA seeks to reduce the credit risk by monitoring existing outstanding fee income receivable balances. Bank deposits are limited to high-credit-quality financial institutions and bank ratings are reviewed by the Audit Committee on an annual basis. DFSA places deposits in different banks to avoid the concentration of risk. Management does not expect any losses from non-performance by these counterparties.

20.2 Fair value estimation

The carrying values of financial assets and financial liabilities of the DFSA approximate their fair values.

21. Subsequent events

On 4 February 2026, the Authority entered into a contract for the design and build fit-out of its Level 13 offices for AED 9,062 thousand. As the contract was signed after the reporting date, it is a non-adjusting event, and no adjustments have been made. On 25 February 2026, the DFSA Board approved the transfer of fines collected during the year ended 31 December 2025 of AED 1,677 thousand to the Government of Dubai.

Statement of financial position (presented in USD)

	Notes	(unaudited)	
		2025 US\$'000	2024 US\$'000
ASSETS			
Non-current assets			
Property and equipment	5	1,587	2,053
Intangible assets	6	2,080	1,479
Right-of-use assets	7	796	–
Total non-current assets		4,463	3,532
Current assets			
Other receivables	8	9,292	8,407
Cash and bank balances	9	91,482	61,863
Defined benefit plan net assets	10	1,412	1,322
Total current assets		102,186	71,592
TOTAL ASSETS		106,649	75,124
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,568	1,568
Reserve of the DFSA	3.10	60,873	46,676
Employees' end of service benefit scheme cumulative actuarial gain		932	912
Net equity		63,373	49,156
LIABILITIES			
Non-current liability			
Lease liability		407	–
Total non-current liability		407	–
Current liabilities			
Fee income received in advance	3.9	34,593	18,970
Creditors, accruals and other liabilities	10	7,996	6,998
Lease liability		280	–
Total current liabilities		42,869	25,968
Total liabilities		43,276	25,968
TOTAL EQUITY AND LIABILITIES		106,649	75,124

Notes to the Financial Statements *continued*

for the year ended 31 December 2025

Statement of financial performance (presented in USD)

	Notes	(unaudited)	
		2025 US\$'000	2024 US\$'000
Income			
Appropriations from government fee income	3.9	22,937	22,937
Fines levied	3.9	457	2,884
Fee income	3.9	44,213	32,665
Other income	13	1,837	1,964
Total income		69,444	60,450
Expenses			
Staff costs	14	(39,811)	(40,388)
General and administration expenses	15	(11,632)	(10,767)
Loss allowance on fee income receivable	8	(529)	(285)
Board of Directors' costs	16	(3,065)	(2,590)
Finance expenses	17	(49)	
Financial markets tribunal costs		(161)	(97)
Total expenses		(55,247)	(54,127)
EXCESS OF INCOME OVER EXPENDITURE		14,197	6,323

Statement of changes in equity (presented in USD) (unaudited)

	Contribution capital US\$'000	Reserve of the DFSA US\$'000	Employees' end of service benefit scheme cumulative actuarial gain US\$'000	Accumulated surplus US\$'000	Total US\$'000
At 1 January 2024	1,568	40,353	455	–	42,376
Excess of income over expenditure	–	–	–	6,323	6,323
Transfer to Reserve of the DFSA (Note 3.10)	–	6,323	–	(6,323)	–
Remeasurement of net employees' end of service benefit obligation (Note 10)	–	–	457	–	457
At 31 December 2024	1,568	46,676	912	–	49,156
Excess of income over expenditure	–	–	–	14,197	14,197
Transfer to Reserve of the DFSA (Note 3.10)	–	14,197	–	(14,197)	–
Remeasurement of net employees' end of service benefit obligation (Note 10)	–	–	20	–	20
At 31 December 2025	1,568	60,873	932	–	63,373

Statement of cash flows (presented in USD)

	Notes	(unaudited)	
		2025 US\$'000	2024 US\$'000
Cash flows from operating activities			
Excess of income over expenditure		14,197	6,323
Adjustments for the following items:			
Depreciation on property and equipment	5	508	545
Amortisation	6	349	157
Depreciation on right-of-use assets	7	531	
Gain on sale of property and equipment	13	–	(52)
Provision for end of service benefits	14	1,168	1,241
Interest income	13	(1,837)	(1,912)
Loss allowance on fee income receivable	8	529	285
Interest on lease liability	7	49	
Other non-cash transactions		(69)	102
Operating cash flows before payment of amount payable to Government and changes in working capital		15,425	6,689
Changes in working capital			
Contributions made for the end of service benefits	14	(1,168)	(1,241)
Other receivables, net of interest		(1,429)	401
Fee income received in advance		15,402	(3,144)
Creditors, accruals and other liabilities		998	202
Net cash generated from operating activities		29,228	2,907
Cash flows from investing activities			
Purchase of property and equipment	5	(42)	(529)
Purchase of intangible assets	6	(950)	(1,004)
Proceeds from sale of property and equipment		–	52
Interest received		2,081	911
Movement in fixed deposits with maturity terms exceeding 3 months		(6,364)	(23,206)
Net cash used in investing activities		(5,275)	(23,776)
Cash flows from financing activities			
Payment of principal portion of lease liability	7	(639)	–
Payment of interest on lease liability	7	(58)	–
Net cash used in financing activities		(697)	–
Net increase/(decrease) in cash and cash equivalents		23,256	(20,869)
Cash and cash equivalents at 1 January	9	21,510	42,379
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9	44,766	21,510

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Appendix 1

Authorised Firms Licensed in 2025

Organisation	Date of Recognition
Welwing Capital Management (DIFC) Limited	Thursday, 2 January 2025
China International Capital Corporation Hong Kong Securities Limited	Thursday, 9 January 2025
Apeiron International (DIFC) Limited	Tuesday, 14 January 2025
InvestIn Limited	Thursday, 16 January 2025
Taranis Capital Limited	Monday, 27 January 2025
Aksia ME Ltd.	Tuesday, 28 January 2025
VertoFX Ltd.	Friday, 31 January 2025
Slice Fintech Limited	Friday, 31 January 2025
WeProperties Technologies Limited	Friday, 31 January 2025
Stellar AMC Limited	Tuesday, 4 February 2025
Procure Hub Limited	Monday, 10 February 2025
Sav Technologies Limited	Monday, 10 February 2025
Antarctica Asset Management Ltd. (DIFC Representative Office)	Monday, 10 February 2025
PIMCO Europe GmbH (DIFC Branch)	Wednesday, 12 February 2025
IFX Payments (DIFC) Limited	Tuesday, 18 February 2025
Capton Energy (DIFC) Limited	Friday, 21 February 2025
Ascent Fund Services (DIFC) Ltd.	Monday, 24 February 2025
Canaccord Genuity Wealth (International) Limited (DIFC Branch)	Friday, 28 February 2025
Finseta Payments DIFC Limited	Monday, 10 March 2025
Ripple Middle East Limited	Tuesday, 11 March 2025
Ari Financial Group Limited	Wednesday, 12 March 2025
Jervois Capital Limited	Wednesday, 12 March 2025
Squarepoint (DIFC) Limited	Friday, 14 March 2025
Ayn Capital Limited	Monday, 17 March 2025
Valantis Global Limited (DIFC Representative Office)	Monday, 17 March 2025
OHM Dovetail Capital (DIFC) Limited	Monday, 17 March 2025
ISA Insurance and Reinsurance Management (DIFC) Limited	Wednesday, 19 March 2025
Wind Technologies Ltd.	Thursday, 20 March 2025
Birchwood Fund Management Ltd.	Monday, 24 March 2025
FREMIR Reinsurance Services S.A.E (DIFC Representative Office)	Wednesday, 26 March 2025
Cambridge Associates (DIFC) Limited	Wednesday, 26 March 2025
Astero Falcon DIFC Limited	Thursday, 27 March 2025
Globus Payments Limited (DIFC)	Friday, 28 March 2025
Rede Partners (DIFC) Limited	Friday, 28 March 2025
Tourmaline Europe LLP (DIFC Branch)	Friday, 28 March 2025

Organisation	Date of Recognition
Wealthbrix Capital Partners Limited	Friday, 4 April 2025
Halston Street (DIFC) Limited	Monday, 7 April 2025
Transamerica Life (Bermuda) Ltd. (DIFC Representative Office)	Friday, 11 April 2025
Naya Management (DIFC) Limited	Monday, 14 April 2025
Spark Global PWM Private Limited	Monday, 14 April 2025
BlueCrest Capital Management DIFC Limited	Tuesday, 15 April 2025
Manulife Middle East Limited	Tuesday, 22 April 2025
Nettlestone Capital Advisors (DIFC) Limited	Friday, 25 April 2025
Commercial Bank of Ceylon PLC (DIFC Representative Office)	Monday, 28 April 2025
Sweid & Sweid Capital Limited	Monday, 28 April 2025
Hilbert Investment Solutions Limited (DIFC Branch)	Tuesday, 29 April 2025
AfrAsia Bank Limited (DIFC Branch)	Wednesday, 30 April 2025
Altery MENA Ltd.	Monday, 5 May 2025
Nice Talent Asset Management Limited (DIFC Representative Office)	Wednesday, 7 May 2025
Greenstone (DIFC) Limited	Friday, 9 May 2025
Gallardo Securities (DIFC) Limited	Monday, 12 May 2025
Spera Services (DIFC) Limited	Wednesday, 14 May 2025
VFX Financial (DIFC) Ltd.	Thursday, 15 May 2025
Permira Management S.a.r.l (DIFC Representative Office)	Thursday, 15 May 2025
National Bank of Kuwait S.A.K.P. (DIFC Branch)	Tuesday, 20 May 2025
Revanta Capital Limited	Tuesday, 20 May 2025
Silver Point Capital (DIFC) Limited	Tuesday, 20 May 2025
ABK Capital (DIFC) Limited	Friday, 23 May 2025
Atgo Investment Limited	Monday, 2 June 2025
dLocal (DIFC) Limited	Tuesday, 3 June 2025
Advantage Reinsurance Management Ltd.	Wednesday, 4 June 2025
BellRock Asset Management (DIFC) Limited	Thursday, 12 June 2025
GLAS SAS (DIFC Representative Office)	Thursday, 12 June 2025
Velocity Trade International Limited (DIFC Representative Office)	Friday, 13 June 2025
Baron Capital Management (DIFC) Limited	Friday, 13 June 2025
Progeny (DIFC) Limited	Monday, 16 June 2025
MENA Card Systems Limited	Tuesday, 17 June 2025
Deed Limited	Thursday, 19 June 2025
Hoxton Wealth (DIFC) Limited	Friday, 20 June 2025
Pearl Diver Capital (DIFC) Limited	Monday, 23 June 2025

Appendix 1 *continued*

Authorised Firms Licensed in 2025

Organisation	Date of Recognition
Metis Financial Planning Limited	Monday, 23 June 2025
Sovereign Capital Limited	Tuesday, 24 June 2025
Agna Capital Limited	Thursday, 26 June 2025
Howden Reinsurance Brokers Limited (DIFC Branch)	Thursday, 26 June 2025
Warburg Pincus MENA Advisors Limited	Thursday, 26 June 2025
Magen Financial Ltd.	Monday, 30 June 2025
ChrysCapital Advisors Middle East Limited	Friday, 4 July 2025
AI12 Limited	Tuesday, 8 July 2025
Nexent Bank N.V. (DIFC Representative Office)	Wednesday, 9 July 2025
Motilal Oswal International Wealth Management Limited	Thursday, 17 July 2025
Cantor Wealth Advisors Limited	Thursday, 17 July 2025
Future Standard MENA Limited	Thursday, 17 July 2025
Pinnacle Underwriting (DIFC) Pvt Ltd.	Friday, 25 July 2025
Türkiye Vakıflar Bankası Türk Anonim Ortaklığı	Monday, 28 July 2025
EMFI Capital (DIFC) Limited	Wednesday, 30 July 2025
Newtech Reinsurance and Underwriting Limited	Thursday, 31 July 2025
Prudent Global Insurance Brokers (DIFC) Limited	Thursday, 31 July 2025
UPT Odeme Hizmetleri ve Elektronik Para A.S. (DIFC Branch)	Friday, 1 August 2025
Optivus Insurance Ltd.	Friday, 1 August 2025
CRDB Bank Public Limited Company (DIFC Representative Office)	Tuesday, 5 August 2025
Leventis AMC Limited	Friday, 8 August 2025
Xander Investment Advisors Limited	Wednesday, 13 August 2025
Atrea Risk Solutions (DIFC) Ltd.	Wednesday, 13 August 2025
B2B Prime Services MENA Limited	Friday, 15 August 2025
Stronghold Capital Management Limited	Friday, 15 August 2025
Interpolitan Money (DIFC) Limited	Monday, 18 August 2025
Fair Capital Limited	Monday, 18 August 2025
Cusp Wealth Ltd.	Wednesday, 20 August 2025
BrokerTec Europe Limited (DIFC Representative Office)	Wednesday, 20 August 2025
Renaissance Asset Management Limited	Tuesday, 26 August 2025
Falco Private Wealth Limited (DIFC Representative Office)	Thursday, 28 August 2025
CoGoLinks DIFC Limited	Monday, 1 September 2025
Copernicus Wealth Management (Middle East) Limited	Monday, 1 September 2025
Merrion Capital Limited	Wednesday, 3 September 2025
Andurand Capital Management (DIFC) Limited	Tuesday, 16 September 2025

Organisation	Date of Recognition
North Rock Capital Management (DIFC) Limited	Wednesday, 17 September 2025
Esterad Capital Limited	Thursday, 18 September 2025
Gulf Assist (DIFC) Ltd.	Monday, 22 September 2025
Ocorian Fund Services (DIFC) Limited	Monday, 22 September 2025
Allianz Trade Middle East Ltd.	Monday, 22 September 2025
CapitaLand (DIFC) Limited	Friday, 26 September 2025
Profectus (DIFC) Limited	Thursday, 2 October 2025
National Investments Company (DIFC) Limited	Tuesday, 7 October 2025
Lancaster Trustees Limited (DIFC Representative Office)	Tuesday, 7 October 2025
Patrimium Asset Management Limited	Friday, 10 October 2025
Arzan Investment Management (DIFC) Limited	Wednesday, 15 October 2025
Nine Masts Capital (DIFC) Limited	Wednesday, 15 October 2025
Starwood Capital (DIFC) Limited	Friday, 17 October 2025
Marigold Capital Advisors Limited	Friday, 17 October 2025
Bentley Reid (DIFC) Limited	Tuesday, 21 October 2025
Arrow Global (Middle East) Limited	Thursday, 23 October 2025
JTC Employer Solutions Trustee (DIFC) Limited	Monday, 27 October 2025
JTC Employer Solutions (DIFC) Limited	Monday, 27 October 2025
Amicorp Fund Services (DIFC) Limited	Tuesday, 28 October 2025
Sanatan Dharma Private Wealth Limited	Wednesday, 29 October 2025
Capital International Limited (DIFC Representative Office)	Thursday, 6 November 2025
Partners Capital LLP (DIFC Representative Office)	Friday, 7 November 2025
Present Perfect Capital (DIFC) Limited	Tuesday, 11 November 2025
Lighthouse Asset Management Limited	Tuesday, 11 November 2025
QIC (DIFC) Limited	Thursday, 13 November 2025
Fortrade (DIFC) Limited	Friday, 14 November 2025
InvestGate Private Wealth Limited	Friday, 14 November 2025
Investlink Ltd. (DIFC Representative Office)	Tuesday, 18 November 2025
Callanish Capital (DIFC) Limited	Tuesday, 18 November 2025
CI Capital GCC Limited	Wednesday, 19 November 2025
Ancon Insurance Company, Inc. (DIFC Branch)	Thursday, 20 November 2025
Cognit Capital (DIFC) Limited	Monday, 24 November 2025
T1 Management Group Limited	Monday, 24 November 2025
Prologis Management Limited	Thursday, 27 November 2025
Rhodium Re Ltd.	Thursday, 27 November 2025

Appendix 1 *continued*

Authorised Firms Licensed in 2025

Organisation	Date of Recognition
Elephant Asset Management Limited	Thursday, 27 November 2025
BMS (DIFC) Limited	Tuesday, 9 December 2025
Atradius Trade Credit (Re)insurance (DIFC) Ltd.	Wednesday, 10 December 2025
Sun Life (DIFC) Limited	Thursday, 11 December 2025
Bank Frick AG (DIFC Branch)	Friday, 12 December 2025
Trellen Capital Limited	Monday, 15 December 2025
ICICI Prudential Asset Management Company Limited (DIFC Branch)	Tuesday, 16 December 2025
Berkshire Partners LLC (DIFC Representative Office)	Friday, 19 December 2025

Appendix 2

Designated Non-Financial Businesses or Professions Registered in 2025

Organisation	Date of Recognition
Fragomen UAE LTD	Wednesday, 15 January 2025
LegalCode Services Ltd.	Wednesday, 22 January 2025
Catalyst (DIFC) Services Limited	Tuesday, 25 February 2025
Palace Corporate Services Provider Ltd.	Friday, 28 February 2025
Fulcrum Corporate Services DIFC Limited	Thursday, 13 March 2025
Paradyne SOS Corporate Services Ltd.	Wednesday, 7 May 2025
Creation Corporate Services (DIFC) Ltd.	Monday, 16 June 2025
Davidson & Co Corporate Services Limited	Friday, 4 July 2025
Affinity Corporate Services (Middle East) Limited	Monday, 7 July 2025
Aurifer Audit Ltd.	Friday, 18 July 2025
DOVA Compliance and Risk Management Advisors Ltd.	Friday, 22 August 2025
Sovereign CSP LTD	Thursday, 28 August 2025
Trident Trust Corporate Services (DIFC) Limited	Thursday, 4 September 2025
Gateley UK LLP	Thursday, 25 September 2025
Creative Zone CSP (DIFC) Limited	Tuesday, 30 September 2025
Premier Management Services (DIFC) Limited	Thursday, 2 October 2025
Westbond International Corporate Service Provider Limited	Wednesday, 8 October 2025
Winson Corporate Services (DIFC) Limited	Wednesday, 5 November 2025
Cohen & Gresser LLP (DIFC Branch)	Wednesday, 5 November 2025
The Curator Watches and Jewellery Ltd.	Thursday, 4 December 2025
Atoz Tax Advisers Middle East Limited	Monday, 8 December 2025
Three Crowns (Middle East) LLP (DIFC Branch)	Monday, 29 December 2025

Appendix 3

Auditors Registered in 2025

Organisation	Date of Recognition
KISA Audit Tax and Accounting Limited	Friday, 10 January 2025
KPMG Lower Gulf Limited	Tuesday, 15 April 2025
Sajjad Haider & Co – Chartered Accountants	Monday, 28 April 2025
Baker Tilly SM Limited	Friday, 23 May 2025
PricewaterhouseCoopers Limited Partnership (Dubai Branch)	Wednesday, 4 June 2025
Buzzacott Chartered Accountants Limited	Wednesday, 8 October 2025
Baker Tilly SM Auditing L.L.C. S.O.C.	Wednesday, 8 October 2025
Suntech Auditors and Consultants	Wednesday, 22 October 2025

Appendix 4

Members of Authorised Market Institutions Recognised in 2025

Organisation	AMI	Date of Recognition	Home Jurisdiction
ABN Amro Clearing USA LLC	Dubai Mercantile Exchange	Wednesday, 23 May 2007	USA
Abu Dhabi Islamic Securities Co. LLC (ADIB)	Nasdaq Dubai	Tuesday, 13 May 2014	UAE
ADCB Securities	Nasdaq Dubai	Tuesday, 26 October 2010	UAE
ADM Investor Services, Inc.	Dubai Mercantile Exchange	Thursday, 31 May 2007	USA
Daman Securities	Nasdaq Dubai	Sunday, 12 March 2017	UAE
Al-Dar Shares and Bonds	Nasdaq Dubai	Monday, 23 June 2014	UAE
Al-Ramz Capital LLC	Nasdaq Dubai	Thursday, 27 November 2008	UAE
Arqaam Securities LLC	Nasdaq Dubai	Thursday, 8 July 2010	UAE
Astmax Co. Ltd.	Dubai Mercantile Exchange	Thursday, 24 May 2007	Japan
BHM Capital Financial Services PSC	Nasdaq Dubai	Tuesday, 29 November 2016	UAE
BNP Paribas Securities Corporation	Dubai Mercantile Exchange	Monday, 2 October 2017	USA
China National United Oil Corporation	Dubai Mercantile Exchange	Friday, 1 June 2007	China
Citigroup Global Markets Inc.	Dubai Mercantile Exchange	Thursday, 31 May 2007	USA
Citigroup Global Markets Limited	Nasdaq Dubai	Tuesday, 11 October 2005	UK
Deutsche Bank AG (London and Securities Services)	Nasdaq Dubai	Friday, 23 September 2005	UK
EFG Hermes UAE LLC	Nasdaq Dubai	Wednesday, 12 May 2010	UAE
Emirates NBD Bank PJSC	Nasdaq Dubai	Wednesday, 29 May 2013	UAE
Emirates NBD Securities LLC	Nasdaq Dubai	Sunday, 9 August 2009	UAE
GH Financials LLC	Dubai Mercantile Exchange	Wednesday, 26 March 2014	USA
Glencore Commodities Ltd.	Dubai Mercantile Exchange	Thursday, 10 May 2007	UK
Goldman, Sachs & Co.	Dubai Mercantile Exchange	Wednesday, 30 May 2007	USA
HSBC Securities (USA) Inc.	Dubai Mercantile Exchange	Thursday, 10 May 2007	USA
International Securities LLC (known as Shuaa Securities LLC)	Nasdaq Dubai	Tuesday, 26 January 2016	UAE
JPMS LLC (formerly known as J.P. Morgan Securities LLC)	Dubai Mercantile Exchange	Wednesday, 1 June 2011	USA
J.P. Morgan Securities PLC	Nasdaq Dubai	Wednesday, 16 January 2008	UK
Macquarie Futures USA LLC	Dubai Mercantile Exchange	Thursday, 8 August 2019	USA
Marex Capital Markets Inc. (known as ED&F Man)	Dubai Mercantile Exchange	Friday, 22 January 2016	USA

Appendix 4 *continued*

Members of Authorised Market Institutions Recognised in 2025

Organisation	AMI	Date of Recognition	Home Jurisdiction
Mashreq Securities LLC	Nasdaq Dubai	Wednesday, 29 October 2008	UAE
Merrill Lynch International (Bank of America Merrill Lynch)	N/A	Tuesday, 28 March 2006	UK
Mizuho Securities USA LLC	Dubai Mercantile Exchange	Thursday, 10 May 2007	USA
Morgan Stanley & Co. International plc	Nasdaq Dubai	Thursday, 26 January 2006	UK
Morgan Stanley & Co. LLC (formerly Morgan Stanley & Co. Incorporated)	Dubai Mercantile Exchange	Thursday, 31 May 2007	USA
Morgan Stanley Capital Group Inc.	Dubai Mercantile Exchange	Monday, 28 May 2007	USA
Nanhua USA LLC	Dubai Mercantile Exchange	Monday, 22 June 2015	USA
Phillip Capital Inc.	Dubai Mercantile Exchange	Wednesday, 16 April 2014	USA
R.J. O'Brien & Associates LLC	Dubai Mercantile Exchange	Wednesday, 22 September 2010	USA
SG Americas Securities LLC	Dubai Mercantile Exchange	Sunday, 4 January 2015	USA
SICO INVEST LLC	Nasdaq Dubai	Sunday, 5 March 2017	UAE
StoneX Financial Inc. (formerly known as INTL FCStone Financial Inc.)	Dubai Mercantile Exchange	Wednesday, 23 May 2007	USA
UBS Securities LLC	Dubai Mercantile Exchange	Monday, 10 September 2007	USA
Wood & Company Financial Services, a.s.	Nasdaq Dubai	Sunday, 25 January 2009	Czech Republic
Clear Street LLC	Dubai Mercantile Exchange	Thursday, 29 August 2024	USA
RBC Capital Markets LLC	Dubai Mercantile Exchange	Monday, 17 February 2025	USA
Advantage Futures LLC	Dubai Mercantile Exchange	Monday, 10 March 2025	USA

Appendix 5

Memoranda of Understanding Signed in 2025

Three bilateral Memoranda of Understanding (MoUs) were concluded during 2025:

On 10 September 2025, the DFSA signed an MoU with the Securities and Futures Commission of Hong Kong, pertaining to Fund Management.

On 15 October 2025, the DFSA signed an MoU with the Virtual Assets Regulatory Authority.

On 21 October 2025, the DFSA signed an MoU with the Securities and Commodities Authority on Oversight of Auditors.

Please refer to the DFSA website for a full list of MoUs signed by the DFSA.

Appendix 6

New Debenture Listings in 2025

Issuer	Listing Size (US\$)	Date of Listing	Currency	Type
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 23 January 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 23 January 2025	US\$	Sukuk
Government of the Emirate of Sharjah	522,870,000	Thursday, 13 February 2025	US\$	Conv
Emirates NBD Bank PJSC	1,000,000,000	Tuesday, 25 February 2025	US\$	Conv
SIB Sukuk Company III Limited	500,000,000	Wednesday, 26 February 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 27 February 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 27 February 2025	US\$	Sukuk
RAK Capital	1,000,000,000	Thursday, 13 March 2025	US\$	Sukuk
IsDB Trust Services No.2 SARL	1,750,000,000	Wednesday, 19 March 2025	US\$	Sukuk
IsDB Trust Services No.2 SARL	107,950,000	Tuesday, 25 March 2025	US\$	Sukuk
EI Sukuk Company Ltd.	750,000,000	Tuesday, 25 March 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 24 April 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 24 April 2025	US\$	Sukuk
Ajman Senior Sukuk Ltd.	500,000,000	Wednesday, 30 April 2025	US\$	Sukuk
Omniyat Sukuk 1 Limited	500,000,000	Tuesday, 6 May 2025	US\$	Sukuk
DP World Crescent Limited	1,282,631,000	Thursday, 8 May 2025	US\$	Sukuk
DP World Crescent Limited	217,369,000	Thursday, 8 May 2025	US\$	Sukuk
Sobha Sukuk I Holding Limited	500,000,000	Monday, 19 May 2025	US\$	Sukuk
Warba Tier 1 Sukuk (3) Limited	250,000,000	Tuesday, 20 May 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 22 May 2025	AED	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 22 May 2025	US\$	Sukuk
Industrial and Commercial Bank of China Limited, Dubai (DIFC) Branch	416,520,000	Thursday, 22 May 2025	US\$	Conv
Industrial and Commercial Bank of China Limited, Hong Kong Branch	1,000,000,000	Thursday, 22 May 2025	US\$	Conv
Industrial and Commercial Bank of China Limited, Singapore Branch	300,000,000	Thursday, 22 May 2025	US\$	Conv
Mashreq Al Islami Sukuk Company Ltd.	500,000,000	Friday, 23 May 2025	US\$	Sukuk
SIB Tier 1 SUKUK IIND Ltd.	500,000,000	Wednesday, 4 June 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 26 June 2025	AED	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 26 June 2025	AED	Sukuk
IsDB Trust Services No.2 SARL	1,200,000,000	Thursday, 26 June 2025	US\$	Sukuk
Dar Al-Arkan Sukuk Company Ltd.	750,000,000	Wednesday, 2 July 2025	US\$	Sukuk
China Development Bank	589,386,759	Thursday, 3 July 2025	US\$	Conv

Issuer	Listing Size (US\$)	Date of Listing	Currency	Type
China Development Bank	500,000,000	Thursday, 3 July 2025	US\$	Conv
Perusahaan Penerbit SBSN Indonesia III	1,062,125,000	Thursday, 24 July 2025	US\$	Sukuk
Perusahaan Penerbit SBSN Indonesia III	37,875,000	Thursday, 24 July 2025	US\$	Sukuk
Perusahaan Penerbit SBSN Indonesia III	1,074,600,000	Thursday, 24 July 2025	US\$	Sukuk
Perusahaan Penerbit SBSN Indonesia III	25,400,000	Thursday, 24 July 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 31 July 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 31 July 2025	US\$	Sukuk
Arada Sukuk 2 Limited	450,000,000	Tuesday, 5 August 2025	US\$	Sukuk
IsDB Trust Services No.2 SARL	500,000,000	Tuesday, 5 August 2025	US\$	Sukuk
Binghatti Sukuk 2 SPV Limited	500,000,000	Thursday, 7 August 2025	US\$	Sukuk
Emirates NBD Bank PJSC	140,238,405	Friday, 29 August 2025	US\$	Conv
Sobha Sukuk I Holding Limited	750,000,000	Thursday, 11 September 2025	US\$	Sukuk
Omniyat Sukuk 1 Limited	400,000,000	Tuesday, 16 September 2025	US\$	Sukuk
EI SUKUK COMPANY LTD	500,000,000	Tuesday, 23 September 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 25 September 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Friday, 26 September 2025	US\$	Sukuk
Binghatti Sukuk 2 SPV Limited	500,000,000	Wednesday, 1 October 2025	US\$	Sukuk
ICDPS Sukuk Limited	500,000,000	Friday, 10 October 2025	US\$	Sukuk
IsDB Trust Services No.2 SARL	580,704,483	Thursday, 16 October 2025	US\$	Sukuk
DAE Sukuk (DIFC) Ltd.	650,000,000	Thursday, 16 October 2025	US\$	Sukuk
MAF SUKUK LTD.	500,000,000	Wednesday, 22 October 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 30 October 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 30 October 2025	US\$	Sukuk
SIB Sukuk Company III Limited	500,000,000	Wednesday, 12 November 2025	US\$	Sukuk
DIB Sukuk Limited	1,000,000,000	Wednesday, 19 November 2025	US\$	Sukuk
Bank of China (Dubai) Branch	500,000,000	Tuesday, 25 November 2025	US\$	Conv
Sharjah Sukuk Programme Limited	750,000,000	Tuesday, 25 November 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 27 November 2025	US\$	Sukuk
UAE Federal Government Sukuk Programme Ltd.	149,761,743	Thursday, 27 November 2025	US\$	Sukuk
Perusahaan Penerbit SBSN Indonesia III	1,100,000,000	Wednesday, 3 December 2025	US\$	Sukuk
Perusahaan Penerbit SBSN Indonesia III	900,000,000	Wednesday, 3 December 2025	US\$	Sukuk
Sharjah Sukuk Programme Limited	340,367,600	Tuesday, 16 December 2025	US\$	Sukuk

Appendix 7

DFSA Administered Laws and Rules Amendments in 2025

The Board of Directors made the following amendments to the DFSA's Rulebook in 2025:

- Notice of Amendments dated 26 February 2025 made Rulemaking Instruments 392 – 400, which made a number of miscellaneous changes to the DFSA's rules.
- Notice of Amendments dated 14 March 2025 made Rulemaking Instruments 401 – 406, which made changes to the DFSA's client assets regime.
- Notice of Amendments dated 21 May 2025 made Rulemaking Instruments 407 – 413, which made changes to enhance proportionality in the DFSA's prudential regime.
- Notice of Amendments dated 10 October 2025 made Rulemaking Instrument 414, which made changes to the DFSA's methodology for calculating the capital requirement for operational risk by certain Authorised Firms.
- Notice of Amendments dated 4 December 2025 made Rulemaking Instrument 389, which made changes relating to the offers of securities to the public from DIFC.
- Notice of Amendments dated 11 December 2025 made Rulemaking Instruments 418 – 422, which made various minor and consequential changes to the DFSA's rules.
- Notice of Amendments dated 15 December 2025 made Rulemaking Instruments 423 – 431, which made changes to enhance the regulation of Crypto Tokens and made changes to the DFSA's regime relating to Licensed Functions and Authorised Individuals.

The Board of Directors also recommended for enactment by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Ruler of Dubai:

- the Regulatory Law Amendment Law, DIFC Law No 2 of 2025, which came into force on 30 October 2025. The Law made amendments to the DFSA's statutory objectives.
- the Markets Law Amendment Law, DIFC Law No 3 of 2025, which came into force on 31 December 2025. The Law made amendments relating to the offers of securities to the public from DIFC.

Appendix 8

Board and Executive Management Remuneration Disclosures

Disclosure of Remuneration:

The following table sets out the total remuneration received, or due and receivable, for the years ended 31 December 2025 and 31 December 2024 by the Board and Executive Management of the DFSA.

Remuneration of the Chairman and Non-Executive Board members:

Remuneration bands	2025 Board members	2024 Board members
US\$ 10,001 to US\$ 50,000	0	1
US\$ 50,001 to US\$ 100,000	0	0
US\$ 100,001 to US\$ 200,000	0	4
US\$ 200,001 to US\$ 250,000	8	4
>US\$ 250,001	1	1
Total	9	10

The aggregate remuneration of the Non-Executive members of the Board was as follows:

	2025 (US\$)	2024 (US\$)
	2,070,154	1,945,642

Notes:

1. Remuneration is pro-rated based on actual duration of service during the year. Total Board member strength as of 31 December 2025 stood at 9.
2. Remuneration of Non-Executive Board members includes retainer and committee Chairman/membership fees only. Board retainer fees during 2025 were US\$ 1,840,000 (the Chairman's retainer fee during 2025 was US\$ 400,000).
3. Committee membership fees paid during 2025 totalled US\$ 146,154; Committee Chairmans' fees paid during 2025 totalled US\$ 84,000.
4. The Chairman of the DFSA does not receive fees for membership of committees or for attendance at committee meetings. The Chief executive of the DFSA does not receive fees for membership of the Board or its committees, or for attendance at Board meetings or committee meetings.
5. Other members of the Executive Management who serve as members of Board committees or attend Board meetings also do not receive fees for such memberships.

Appendix 8 *continued*

Board and Executive Management Remuneration Disclosures

Remuneration of the Chief Executive and Executive Management:

Remuneration bands	2025 Executives	2024 Executives
Up to US\$ 300,000	1	1
US\$ 300,001 to US\$ 500,000	4	1
US\$ 500,001 to US\$ 900,000	4	4
>US\$ 900,000	1	2
Total	10	8

The aggregate remuneration of the Executives was as follows:

	2025 (US\$)	2024 (US\$)
	5,506,649	5,534,949

Executive remuneration included in the above comprised:

	2025 (US\$)	2024 (US\$)
Salaries and performance bonuses	4,070,526	4,208,808
Other emoluments and benefits	1,436,124	1,326,141

Notes:

- Salaries are pro-rated based on actual duration of service during the year.
- Other emoluments and benefits include allowances for travel, housing and education, premiums paid for medical and life insurance, and end-of-service accruals/pension contributions for the year ended 31 December 2025.
- Total Executives' remuneration is pro-rated based on actual duration of service during the year. Total Executives' strength as of 31 December 2025 stood at 6.



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