



Dubai Financial Services Authority (“DFSA”) regulatory update Q2 2025

Regulatory horizon scanning and enforcement

- On April 10, 2025, the DFSA issued an SEO letter as a reminder of the reporting obligations to the [DFSA and Fixed Penalty notices](#). The DFSA reminded all firms that the penalty payable under a FPN will increase with each additional contravention in any single calendar year. The first contravention will incur a penalty of \$2,500. The second contravention is a penalty of \$7,500 and the third, or any subsequent contravention, will incur a penalty of \$15,000 (see GEN Rule 14.1).
- On April 28, 2025, the DFSA issued an SEO and CO's letter regarding newly authorised firms' engagement in 2025. The DFSA intends to run a number of engagement sessions with new firms during June 2025, and on an ongoing basis. The idea is to support firms in establishing a robust compliance foundation, as well as improving their understanding of the DFSA's regulatory requirements from the outset and as they continue to grow.
- On May 29, 2025, the DFSA published a [Thematic Review report on Audit working papers](#) archiving and retention examining how Registered Auditors performing audits of regulated entities in the DIFC manage audit documentation, archiving, and retention.
 - This review is part of the DFSA's broader strategy to foster a well-regulated, transparent, and trusted financial environment in the DIFC - one that supports informed decision-making and sustainable growth. The report found that while most Registered Auditors have established relevant policies and procedures, deficiencies remain in several areas – notably around timely archiving, system controls, and post-archiving audit trail integrity.
- On June 3, 2025, the DFSA issued a notice of [Crypto Token Recognition: Ripple \("RLUSD"\)](#) in accordance with GEN Rule 3A.3.4 of the DFSA Rulebook, the following Crypto Token has been recognised by the DFSA.
- On June 3, 2025, the DFSA published the [Dubai Financial Services Unified Guidebook](#), published by Dubai's Department of Economy and Tourism (DET). The guidebook offers a clear and consolidated view of the financial services landscape in Dubai, helping businesses identify the relevant jurisdictions and regulatory bodies as they consider establishing or expanding operations in the Emirate.
- On June 16, 2025, the DFSA announced the next phase of its Tokenisation Regulatory Sandbox, beginning engagement with firms selected to join its Innovation Testing Licence programme. The DFSA's Tokenisation Regulatory Sandbox, launched in March 2025, received 96 expressions of interest from across the United Arab Emirates, United Kingdom, European Union, Canada, Singapore, and Hong Kong. The DFSA will now work with the firms selected for the Innovation Testing Licence to co-develop bespoke testing plans. Sandbox participants will begin trials within a controlled environment in the coming weeks. For more information, please click the [link](#).

For more information on the Innovation Testing Licence, access the [Explainer Guide](#).

- On June 24, 2025, the [DFSA published Frequently Asked Questions on the Revised Client assets regime](#), which will come into effect on January 1, 2026. The paper responds to common questions raised by Firms and Auditors during recent industry engagement and covers areas such as the application of the revised Rules, transitional arrangements, and supervisory expectations. It complements the [revised Rules](#) and [Feedback Statement to CP160](#), both published on March 14, 2025.

Consultation papers

- On May 2, 2025, the DFSA issued a [Consultation Paper on the Offers of Securities from the DIFC](#). The deadline for providing comments was June 16, 2025. F
 - For full details on Consultation Paper No. 166, please click [link](#).
- On May 5, 2025, The DFSA issued the Annual Report 2024. The Key highlights from the Annual Report include:
 - Introduction of updated regulatory frameworks for audit, crypto, and client assets.
 - 10 consultation papers and eight thematic review reports published, reinforcing transparency and alignment with international best practices.
 - Enforcement action taken against five firms and three individuals, resulting in fines totalling USD 2.5 million.
 - 154 new firms licensed and registered, bringing the total to 902 regulated entities – a 14% increase from 2023, led by a 75% surge in wealth management licence issuances.
 - The DIFC remains one of the world’s largest jurisdictions for the issuance of listed sukuk with USD 95.4 billion of outstanding sukuk listings.
 - The DFSA is now a signatory to 117 bilateral Memoranda of Understanding (“MoUs”), five multilateral MoUs,, and eight innovation agreements – facilitating regulatory cooperation and collaboration.

The full report is available on the [DFSA website](#).

- On May 21, 2025, the DFSA issued a feedback statement on the public comments received on [Consultation Paper No 161 \(CP161\) – Enhancing Proportionality in Prudential Regulation](#). In October 2024, the DFSA published CP161 and consulted on proposals to enhance the proportionality of the DFSA’s prudential regime for a large subset of Authorised Firms. The relevant rule making instruments containing the final amendments to the DFSA’s Rules, which will come into force on July 1, 2025 and July 1, 2026.
- On May 21, 2025, the number of proposed legislative changes that were set out in Consultation Paper No. [161](#) the Dubai Financial Services Authority (DFSA) Board, were published. The DFSA Board made the following Rulemaking Instrument to come into force on July 1, 2025:
 - [AUDITOR MODULE \(AUD\) RULE-MAKING INSTRUMENT \(No 407\) 2025](#) (see [appendix 1](#) for the detailed amendments);

- [GLOSSARY MODULE \(GLO\) RULE-MAKING INSTRUMENT \(No 408\) 2025](#) (see [appendix 2](#) for the detailed amendments);
- [PRUDENTIAL – INVESTMENT, INSURANCE INTERMEDIATION AND BANKING BUSINESS MODULE \(PIB\) RULE-MAKING INSTRUMENT \(No 409\) 2025](#) (see [appendix 3](#) for the detailed amendments);
- [FEES MODULE \(FER\) RULE-MAKING INSTRUMENT \(No 410\) 2025](#) (see [appendix 4](#) for the detailed amendments).
- The DFSA Board made the following Rulemaking Instrument to come into force on July 1, 2026:
- [AUDITOR MODULE \(AUD\) RULE-MAKING INSTRUMENT \(No 411\) 2025](#) (see [appendix 5](#) for the detailed amendments);
- [CONDUCT OF BUSINESS MODULE \(COB\) RULE-MAKING INSTRUMENT \(No 412\) 2025](#) (see [appendix 6](#) for the detailed amendments);
- [PRUDENTIAL – INVESTMENT, INSURANCE INTERMEDIATION AND BANKING BUSINESS MODULE \(PIB\) RULE-MAKING INSTRUMENT \(No 413\) 2025](#)
- On June 30, 2025, the DFSA published its latest report on Cyber and Artificial Intelligence Risk in Financial Services: Strengthening Oversight Through International Dialogue. The publication follows the DFSA’s inaugural Cyber and AI Risk Regulatory College, held in May 2025, which brought together 70 senior representatives from 18 financial authorities across the Middle East, North America, Europe, Africa, and Asia. The College served as a platform for international dialogue on the increasing complexity and interconnection of cyber risks, AI adoption, and the long-term implications of quantum computing. For more information, please click the [link](#).

The full report is available for [download here](#).

Matters of clarification

- On April 4, 2025, the DFSA alerted the financial services community and the public about a scam involving the impersonation of [CGL \(Dubai\) Limited](#), a DFSA Authorised firm. The scammers created a fraudulent website (“cgl-limited.net”), that falsely claims to offer trading services through a trading platform and uses the name of CGL (Dubai) Limited without permission.
- On April 14, 2025, the DFSA alerted the financial services community to a scam involving a firm falsely claiming to be regulated by the DFSA. The scammers set up a fraudulent website, “kamislaran.com”, which falsely claims that [Kamislaran](#) is under the regulation and supervision of the DFSA. The DFSA strongly advises against responding to any communications regarding this scam, and under no circumstances should you send or give any money to any party connected to the scam.

- On April 18, 2025, the DFSA alerted the financial services community and the public to a scam in which the DFSA and another government organisation in the UAE were [impersonated in fake documents](#). To appear legitimate, the fake documents:
 - contain the logos of the DFSA and the UAE government organisation;
 - use the name “DUBAI FINANCIAL SERVICES AUTHORITY”;
 - refer to the DFSA’s “Dubai Regional Office”;
 - contain an incorrect DFSA office address and P.O Box number; and
 - contain a false Tax Domicile certification and stamp from the UAE government organisation.

The DFSA strongly advises you not to respond to any communications regarding this scam, and under no circumstances should you send or give any money to any party connected to the scam.

- On April 18, 2025, the DFSA alerted the financial services community and the public to a scam in which the DFSA has been impersonated. The scammers used a [fraudulent “Official Notice” purporting](#) to be from the DFSA requiring the payment of a fee to “establish the connection between your bank account and the transit financial corridor in Dubai”. The scammers claimed that the fee is necessary to receive profits from an investment in cryptocurrency.
- On April 25, 2025, the DFSA alerted the financial services community and the public to a scam in which a fake DFSA letter was used. The scam involves a cryptocurrency trading platform purportedly operated by [“Bitget Capital”](#), which is not authorised by the DFSA or located in the Dubai International Financial Centre (“DIFC”). Victims of the scam create accounts via the scammers to trade on the cryptocurrency platform but, when they wish to withdraw profits from their accounts, the scammers issue a fake DFSA document entitled “Notification”.
- On May 13, 2025, the DFSA alerted the financial services community and the public to a scam in which a DFSA Authorised firm, [GSB Capital Ltd](#) has been impersonated. The scammers set up a fraudulent website (“gsb-capital.ltd”, which is no longer available) and have used the following information without GSB Capital’s permission.
- On May 14, 2025, the DFSA alerted the financial services community and the public to a scam involving two firms falsely claiming to be regulated by the DFSA. The scammers set up two fraudulent websites, namely [“agicmaroc.com”](#) and [“kulanient.com”](#), which falsely claim that AGI Cmaroc Ltd and Kulanient Ltd each hold a DFSA.
- On May 26, 2025, the DFSA alerted the financial services community and the public to a scam in which the DFSA was impersonated. The scammers use a false legal firm called [LLC International Legal College \(LLC\)](#) offering to assist victims to recover payments made to a third party. The scammers provide victims with a fake Certificate of Incorporation which certifies that LLC is incorporated in the (DIFC).

- On May 27, 2025, the DFSA alerted the public to a scam in which a [Fake DFSA letter](#) is used to ask victims to make a partial payment of monies allegedly owing to the DFSA.
- On June 13, 2025, the DFSA alerted the financial services community and public to a fake scam involving a [fake DFSA License](#). The Fake Licence is titled “License to Carry Out Regulated Activities” and falsely states that an individual is an “Independent Stock Expert” authorised and regulated by the DFSA to “provide investment brokerage services”. This has not been issued by the DFSA.
- On June 20, 2025, The DFSA alerts the financial services community and the public to a scam in which a DFSA Authorised Firm, Arqaam Capital Limited, has been impersonated. For more information, please click the [link](#).

News/updates

- On April 23, 2025, the [DFSA in collaboration with the Union of Arab Securities Authorities \(UASA\)](#), hosted a high-level Regulatory Insights Session focused on fostering innovation across the financial services sector in the Arab region. Held in the DIFC, the session brought together senior representatives from both financial regulatory and capital market authorities from the region to explore opportunities, challenges, and regulatory approaches in the rapidly evolving financial services landscape.
- On May 1, 2025, the DFSA launched a new [explainer guide on its Innovation Testing Licence](#) to support the growth of innovative financial services in or from the DIFC. [The Innovation Testing Licence](#) – the DFSA’s regulatory sandbox – is a restricted financial services licence that allows eligible firms to test innovative financial products, services, and business models within a controlled environment with temporary modifications to existing regulatory requirements whilst being subject to close supervisory oversight.
- On May 12, 2025, the DFSA announced that 96 innovative firms have expressed interest in the [DFSA’s inaugural Tokenisation Regulatory Sandbox](#). The launch of the sandbox marks a major step forward in the DFSA’s strategy to support responsible financial innovation within the DIFC and reflects its growing focus on tokenisation as a transformative force in financial services.
- On May 13, the DFSA brought 18 authorities together to discuss [AI and Cybersecurity risks during the Dubai Fintech Summit 2025](#). For more information, please click the link. The DFSA Regulatory College marked a full day of engagements focused on knowledge-sharing, supervisory alignment, and proactive dialogue amongst regulators. Participants explored the emerging challenges and opportunities posed by advanced technologies such as post-quantum cryptography, and agentic AI, with a particular focus on how regulatory frameworks can evolve to safeguard financial stability and protect investors in a fast-changing digital landscape.
- On May 22, 2025, the DFSA announced the launch of its [2025 DFSA Graduate Programme](#), reaffirming its commitment to nurturing UAE National talent and developing professionals in the financial services sector. The 2025 DFSA Graduate Programme aims to attract high-potential

UAE National graduates and provide them with structured training to prepare them for impactful careers in financial services and regulation.

- On June 4, 2025, the DFSA announced the appointment of [Juma Thani Alhameli as Chief Operating Officer](#), effective June 10, 2025. Juma will also become a member of the DFSA Executive Committee. Juma brings more than 20 years of experience leading large-scale change and transformation programmes, driving performance and growth across the technology, financial services, and aviation sectors within the United Arab Emirates (“UAE”).
- On June 18, 2025, the DFSA has today launched a public consultation on draft “Principles for Climate Transition Planning” (the “Principles”). This marks a further step in the SFWG’s ongoing efforts to enhance the UAE’s sustainable finance ecosystem. For more information, please click the [link](#).
 - To read the draft Principles, [click here](#).
 - submit your feedback, [click here](#).

The deadline for submissions was closed on **July 16, 2025**.

- On June 20, 2025, The DFSA closes 2025 Graduate Programme applications early following strong response. For more information about the DFSA Graduate Programme, visit: www.dfsa.ae/career/uae-national-graduates. For more information, please click the [link](#).

Events

- On April 7, 2025, the DFSA hosted a webinar on navigating [digital assets regulation in the DIFC](#) on Thursday April 10, 2025.