

The UAE Blockchain Ecosystem

Where Technology, Policy,
and Capital Converge

FEBRUARY 2026

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EXECUTIVE SUMMARY

The United Arab Emirates has entered a new phase in the development of its blockchain ecosystem. After several years of regulatory design and controlled experimentation, the focus has shifted toward execution, with blockchain technologies increasingly embedded in payments, settlement, capital markets, government systems, and commercial activity.

This report outlines that the UAE's differentiation is its ability to operationalize complex use cases at scale. A layered federal and emirate-level regulatory architecture has enabled institutional participation across payments, tokenization, custody, and market infrastructure. This framework is complemented by active involvement from sovereign and quasi-sovereign entities, which play a central role in financing, anchoring, and accelerating compliant deployment.

Payments and settlement form the core economic context for this evolution. The UAE operates a high-volume payments environment relative to population, with domestic payment systems processing over AED 20 trillion in transfers in the first ten months of 2025.¹ At the same time, the UAE ranks as the world's third-largest source of outbound remittances, with remittance activity embedded across the resident population.² This scale has shaped a pragmatic approach to payments innovation, emphasizing settlement speed, operational resilience, and interoperability within regulated rails.

Market development has progressed alongside regulatory and infrastructure build-out. The UAE blockchain ecosystem now includes a dense institutional landscape spanning regulated exchanges, custodians, payment providers, tokenization platforms, infrastructure vendors, and enterprise solution providers, alongside banks and multinational technology firms. Competition and specialization across these layers indicate a shift from early market formation toward operational maturity within defined regulatory boundaries.

¹ https://www.centralbank.ae/media/vbqfs4u/monthly-banking-operations-statistics-2019-2025-_oct-2025.pdf

² https://data360.worldbank.org/en/indicator/WB_KNOMAD_MRO

Capital formation within the ecosystem extends beyond sovereign channels. Private venture capital firms and family offices play an active role in early-stage financing, company formation, and market experimentation, particularly in infrastructure software, payments technology, and enterprise applications. Their participation has contributed to ecosystem depth, supported talent inflows, and helped translate regulatory clarity into operational activity.

Beyond financial markets, blockchain adoption in the UAE has extended into government and enterprise use cases, including trade and logistics, energy and commodities, digital identity, data sharing, and public service delivery. These applications are integrated into broader digitization strategies and operate within existing institutional frameworks, reinforcing the role of blockchain as operational infrastructure rather than experimental technology.

Overall, the UAE blockchain ecosystem reflects a transition from policy formation and experimental pilots to infrastructure and market implementation.

This publication details that evolution by describing the UAE's regulatory approach, strategic priorities (evidenced by key initiatives ongoing in the region), and current patterns of adoption across financial, commercial, and public-sector use cases.

How to Read This Report

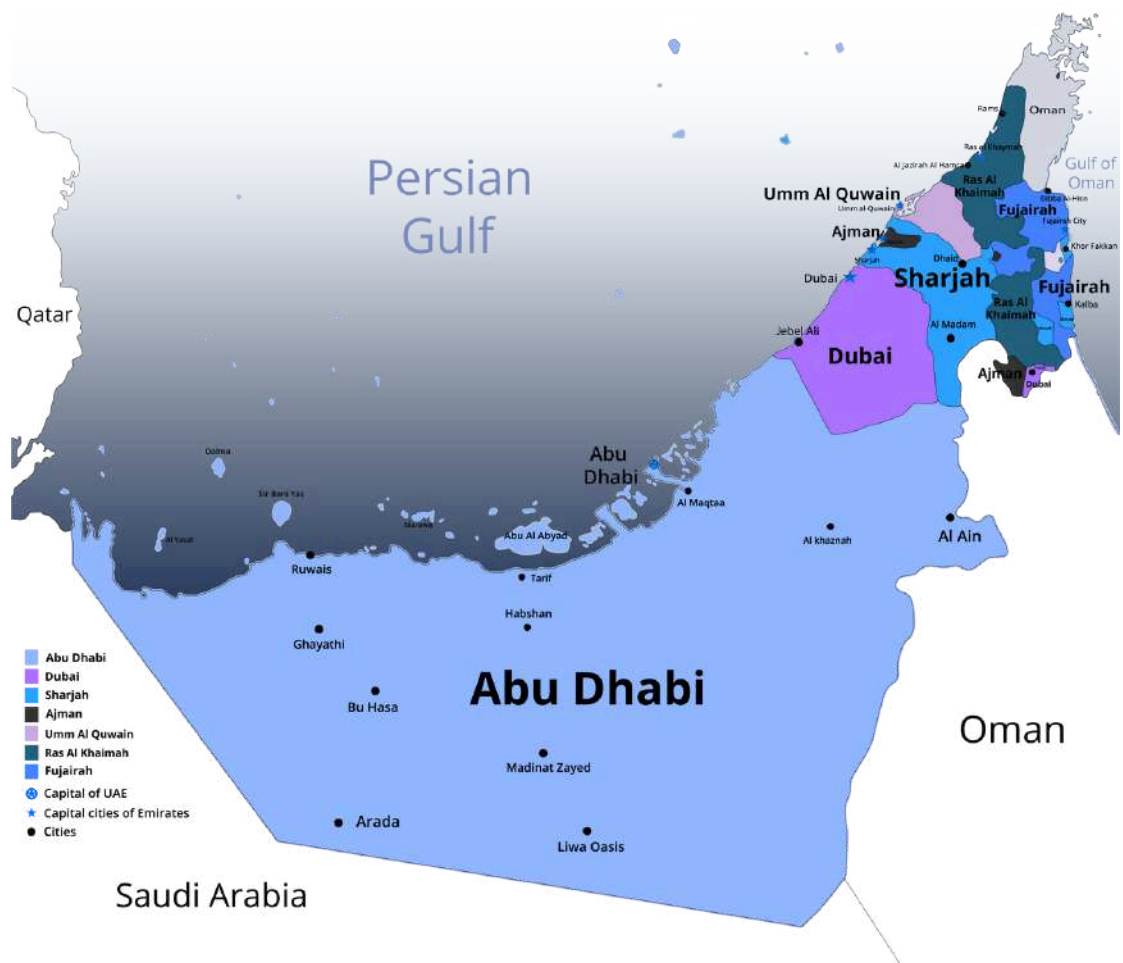
This report is designed for broad readership, including policymakers, regulators, institutional investors, enterprise leaders, founders, and individual market participants interested in the UAE.

Sections are modular and may be read independently. Readers seeking a high-level overview may focus on Parts I, II, and IV. Readers evaluating regulatory structures or market organization may prioritize Parts III and V. Sections addressing licensing pathways and operational considerations are intended primarily as reference material for operators and practitioners.

PART I

A CONTEXTUAL OVERVIEW OF THE UAE

The United Arab Emirates is a federation of seven semi-autonomous emirates: Abu Dhabi (the capital), Dubai, Sharjah, Ajman, Umm Al Quwain, Fujairah, and Ras Al Khaimah. Located at the crossroads of Europe, Asia, and Africa on the southeastern tip of the Arabian Peninsula, it shares borders with Saudi Arabia to the west and Oman to the east.



Founded in 1971 after British withdrawal, the UAE transformed from a collection of pearling and trading ports into one of the world's wealthiest and most dynamic nations in just over five decades. With a population exceeding 11 million (nearly 90% expatriates)³, the country operates under a constitutional monarchy led by the ruling families of Abu Dhabi (President Sheikh Mohamed bin Zayed Al Nahyan) and Dubai (Vice President and Prime Minister Sheikh Mohammed bin Rashid Al Maktoum). The UAE is a business-oriented federation where federal law coexists with emirate-level autonomy, creating a uniquely agile governance model that has proven highly attractive to global talent and capital.

Economically, the UAE has long outgrown its oil origins. While hydrocarbons still generate about 30% of GDP and 40% of exports, non-oil sectors, trade, logistics, tourism, financial services, real estate, aviation, and emerging technologies now drive over 70% of economic activity.⁴ Dubai is the commercial and innovation engine, home to over 250,000 companies, the world's busiest international airport, and iconic regulatory free zones like the Dubai International Financial Centre and Dubai Multi Commodities Centre. Abu Dhabi, the federal capital and largest emirate, manages the nation's USD multi-trillion sovereign wealth through funds like Mubadala and Abu Dhabi Investment Authority.

³ <https://uaestat.fcsc.gov.ae/>

⁴ <https://www.trade.gov/country-commercial-guides/united-arab-emirates-oil-and-gas>

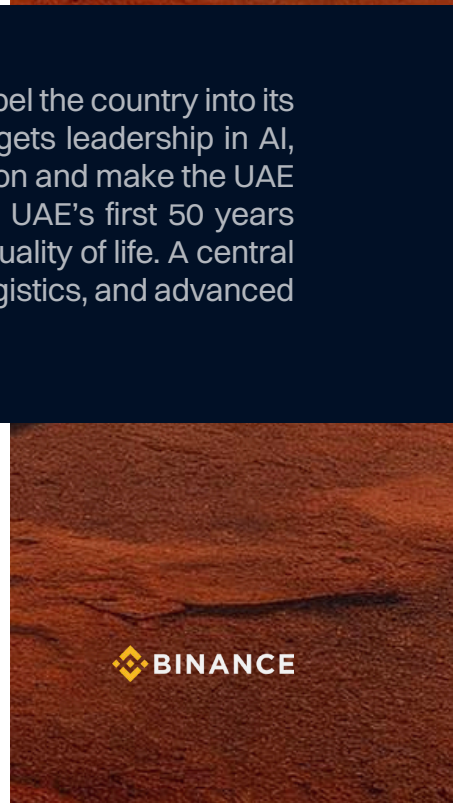
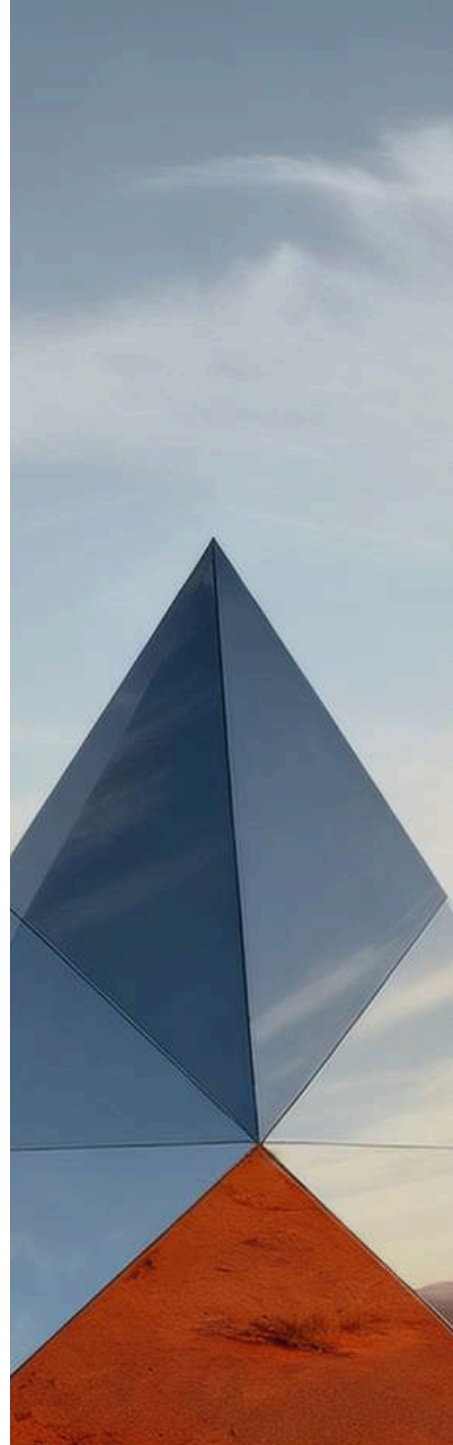
Culturally, the UAE is a global melting pot. English is the business lingua franca. The UAE offers zero personal income tax, up to 100% foreign ownership for companies in most sectors, and a legal system blending civil, common, and Sharia law, particularly in free zones where English common law prevails. Blockchain entrepreneurs benefit from a 24/7 lifestyle, visa programs like the Golden Visa (for investors and tech talent), and proximity to 3 billion consumers within a four-hour flight. This combination has made it a magnet for blockchain and digital asset firms, with over \$2 billion in crypto-related foreign direct investment annually and a growing ecosystem of exchanges, custodians, DeFi protocols, and tokenization platforms.

For the blockchain community, the UAE stands out as one of the most progressive and structured jurisdictions globally.

In 2018, the federal government launched the UAE Blockchain Strategy 2021 to deploy distributed ledger technology across public services, trade, and healthcare. Since then, the UAE has become one of the world's undisputed crypto hubs. Dubai draws blockchain entrepreneurs from every continent, drawn by its reputation as a global business and tourism center. Abu Dhabi, has quietly emerged as the destination for institutional capital, given its proximity to federal regulators and deep-pocketed investors.

Looking ahead, the UAE had outlined an ambitious 10-year plan to propel the country into its next phase of development.⁵ “We the UAE 2031” vision explicitly targets leadership in AI, blockchain, and digital economy, with goals to triple GDP to AED 3 trillion and make the UAE a top-10 global hub for future technologies. The vision builds on the UAE's first 50 years since federation in 1971, emphasizing innovation, sustainability, and quality of life. A central pillar is economic diversification, moving beyond oil into technology, logistics, and advanced manufacturing.

⁵ <https://assets.u.ae/api/public/content/a08d5e681e85451db0255d62b429decf?v=0bcab764>



THE PROMISE OF BLOCKCHAIN FOR THE UAE

Why Blockchain Matters

Blockchain transforms any asset into programmable, globally tradable digital units. Real estate, gold bars, company shares, government bonds, anything of value can be represented on a blockchain, split into smaller pieces, and traded instantly across borders. Settlement that once took days now happens in seconds. This creates fundamentally different markets: deeper, more liquid, and accessible to investors worldwide, and with fewer intermediaries required.

Consider what this means in practice. A luxury apartment in Dubai can be divided into 10,000 digital tokens, each representing 0.01% ownership. A retail investor in Tokyo can buy \$500 worth. An institutional fund in Singapore can acquire \$50 million worth. Both trade on the same platform, 24/7, with full regulatory oversight. Liquidity that was previously locked up becomes mobile capital. Foreign investment flows in because the barriers to entry have collapsed. Critically, regulators can see everything, transaction histories are transparent, ownership records are immutable, and compliance happens automatically through smart contracts.

The same logic applies to commodities. The UAE is already a global hub for gold, diamonds, and oil trading through DMCC and other free zones. Tokenizing these physical assets means they can be traded around the clock on blockchain platforms, with full provenance tracking and instant settlement. A jewelry manufacturer in India can verify the source of diamonds from Dubai. A refinery can secure trade financing by tokenizing its crude oil inventory. These activities are already happening or being actively explored in the UAE.

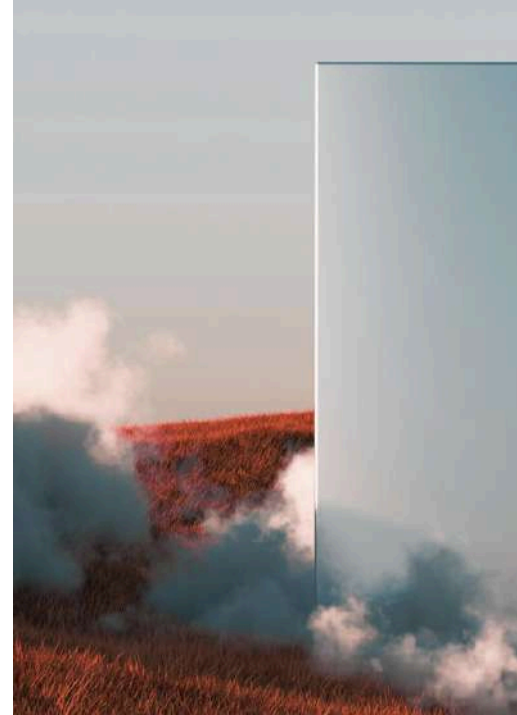
Blockchain also redefines how governments operate. Traditional approaches run on paper trails, manual verification, and human discretion.

This creates friction, delays, and opportunities for error or corruption. Smart contracts revolutionize this model: once conditions are met, actions execute automatically. A construction milestone gets verified through IoT sensors, and the contractor receives payment instantly. A business license renewal happens automatically when all requirements are satisfied. Healthcare credentials are issued, verified, and shared without anyone calling government offices or waiting weeks for paperwork.

For citizens and residents, this means interacting with government the way they interact with any digital service, instant, seamless, and accessible from anywhere. The UAE has been pursuing this vision for years through initiatives like UAE Pass, which has already processed over 2.5 billion authentications with 11 million users.⁶ Adding blockchain to this infrastructure means credentials become portable and verifiable. A job applicant can prove their university degree without the employer contacting the university. A landlord can verify a tenant's identity without storing copies of sensitive documents.

⁶ <https://en.alethad.ae/news/uae/4605642/forum-showcases-uae-pass-achievements-with-11-million-users>

Beyond efficiency and liquidity, early adopters of interoperable blockchain networks gain influence over how these systems develop globally. Similar dynamics have historically been observed in earlier infrastructure transitions, such as rail and telecommunications, where early deployment helped shape interoperability norms and market conventions. This is especially germane as the world moves increasingly toward programmable money and digital assets.



Why the UAE is Uniquely Positioned

Geography and connectivity

The UAE sits at a natural crossroads, between East and West, between Europe and Asia, between established financial centers and emerging markets. Blockchain amplifies this advantage because digital infrastructure doesn't care about time zones or business hours. A tokenized trade that begins in Shanghai, transits through Dubai, and settles in London can happen in minutes rather than days.

Capital and sovereign backing

The UAE's sovereign wealth funds manage over \$2.5 trillion in assets, and are in a position to blend sovereign capital with crypto innovation.⁷

Talent and infrastructure

The UAE has been attracting global talent for decades through its zero-tax policy, visa program, high quality of life, and business-friendly environment. For blockchain specifically, this means developers, traders, and founders from every major crypto hub can easily relocate.

Regulatory progressiveness

Unlike jurisdictions that moved slowly or created hostile environments for crypto, the UAE took a different approach: regulate clearly, enforce consistently, and create multiple pathways for different types of businesses. This has continued into the present day.

⁷ <https://www.swfinstitute.org/profiles/sovereign-wealth-fund/middle-east>

PART III

THE UAE'S EVOLVING BLOCKCHAIN REGULATORY LANDSCAPE

Co-Authored with TLP Advisors

Reflecting its federated structure, the UAE's regulatory landscape is deliberately decentralized across the seven emirates and several specialized regulators, each with distinct but complementary mandates.

The emirates may be viewed as a collection of modern, semi-autonomous city-states that operate within a federal framework.

Within each emirate, mainland jurisdictions and free zones co-exist. Free zones were established to attract foreign investors through familiar legal frameworks and incentives (e.g., tax benefits, full foreign ownership, and in some cases, a common law framework). Every emirate has multiple free zones. Historically, foreigners were not allowed to own more than 49% of any company incorporated within the UAE mainland, whereas free zones allowed 100% foreign ownership. However, since the enactment of Federal Decree-Law No. 26 of 2020, 100% foreign ownership is permitted for companies incorporated within the mainland for many activities. Free zones nonetheless continue to offer additional advantages such as qualifying free-zone tax status and a business-friendly regulatory regime. Two financial free zones, namely the Abu Dhabi Global Market (ADGM) and the Dubai International Financial Centre (DIFC), apply English common law, while the rest of the UAE applies a UAE civil law system.

At the federal level, the Capital Market Authority (CMA) - previously known as the Securities and Commodities Authority (SCA) - and the Central Bank of the UAE (CBUAE) serve as the country's overarching financial regulators. The CMA oversees securities, commodities, and investment products, including tokenized securities and virtual-asset service providers operating in the UAE (including Free Zones but excluding the Financial Free Zones), in accordance with Cabinet Decision No. 111/2022, while the CBUAE regulates payment systems, stored value facilities, and virtual assets designated for payment purposes, such as stablecoins under the national monetary framework. Under Cabinet Decision No. 111/2022, CMA coordination with the Central Bank is required on matters related to protection and stability of the UAE's financial and monetary system, and federal regulations apply across all seven emirates with defined competencies and coordination mechanisms.

Under the UAE's constitutional structure, however, individual emirates are empowered to establish their own economic and financial regulators as well as free zones. This has allowed regulators such as the Financial Services Regulatory Authority (FSRA) within the ADGM, the Dubai Financial Services Authority (DFSA) within the DIFC, and the Virtual Assets Regulatory Authority (VARA), established in 2022 as Dubai's dedicated virtual-asset regulator, to license and supervise activities within their respective jurisdictions. VARA's mandate applies at the emirate level in Dubai (excluding the DIFC) and is limited solely to the regulation of virtual-asset activities. Virtual-asset activities carried out in or from the rest of the UAE i.e., outside the DIFC, and ADGM, fall under the jurisdiction of the CMA and CBUAE.

In practice, this produces a multilayered regulatory ecosystem, where federal authorities set the baseline prudential and monetary architecture, while emirate-level regulators implement, adapt, and supplement these standards within their geographic mandates, subject to federal oversight and coordination mechanisms designed to ensure consistency across the federation.

Table of Blockchain-Relevant Free Zones & Regulators Across Emirates

Emirate	Crypto-Relevant Free Zones	Relevant Regulators
Abu Dhabi	<ul style="list-style-type: none"> ADGM 	<ul style="list-style-type: none"> FSRA (within ADGM) Jurisdiction of the federal regulators i.e. CMA and CBUAE (Abu Dhabi-wide except ADGM).
Dubai	<ul style="list-style-type: none"> DIFC Dubai World Trade Centre (DWTC) Dubai Multi Commodities Centre (DMCC) Dubai Silicon Oasis (DSO) International Free Zone Authority (IFZA) Dubai Airport Free Zone (DAFZ) 	<ul style="list-style-type: none"> VARA (Dubai-wide except DIFC) CBUAE (Dubai-wide except DIFC) DFSA (within DIFC)
Ras Al Khaimah	<ul style="list-style-type: none"> Ras Al Khaimah Innovation City 	<ul style="list-style-type: none"> Jurisdiction of the federal regulators i.e. CMA and CBUAE
Sharjah	<ul style="list-style-type: none"> Sharjah Research, Technology and Innovation Park (SRTIP) 	<ul style="list-style-type: none"> Jurisdiction of the federal regulators i.e. CMA and CBUAE.
Ajman	<ul style="list-style-type: none"> Ajman Free Zone (AFZ) 	<ul style="list-style-type: none"> Jurisdiction of the federal regulators i.e. CMA and CBUAE.
Umm Al Quwain	<ul style="list-style-type: none"> Umm Al Quwain Free Trade Zone (UAQ FTZ) 	<ul style="list-style-type: none"> Jurisdiction of the federal regulators i.e. CMA and CBUAE.
Fujairah	<ul style="list-style-type: none"> Fujairah Free Zone Authority (FFZA) 	<ul style="list-style-type: none"> Jurisdiction of the federal regulators i.e. CMA and CBUAE.

Blockchain Regulation in the UAE: Three Distinct Phases

2017 - 2020: The Experimentation Phase

Between 2017 and 2020, the UAE operated without a unified virtual asset regulatory framework. Each emirate exercised broad autonomy under the federal constitution, and early crypto and blockchain activities were subject to ordinary commercial licensing rather than financial supervision.

Dubai emerged early as a hotspot for crypto adoption and for blockchain ventures, with Abu Dhabi soon to follow. In Dubai, regulation was effectively fragmented across multiple free zone authorities, each empowered to license "technology" or "commodities-trading" businesses under its own rules. While free zones lacked formal financial-regulatory licensing or supervision during this period, some required limited compliance disclosures, however, these disclosures were not equivalent to prudential or investor-protection regulation. The DMCC free zone began registering blockchain and digital asset firms from around 2017 under generic commercial categories, positioning itself as the de facto nucleus of Dubai's emerging crypto ecosystem. By 2020, DMCC had signed an MoU with Switzerland's CV Labs to design a dedicated blockchain cluster; this initiative would later formalize as the DMCC Crypto Centre in 2021.⁸ Similar activity occurred in other Dubai free zones such as DSO and the IFZA, which issued general IT licenses to wallet developers, mining operators, and blockchain protocols.

⁸ <https://dmcc.ae/latest-news/dmcc-launches-crypto-centre-champion-cryptographic-and-blockchain-technologies-dubai>

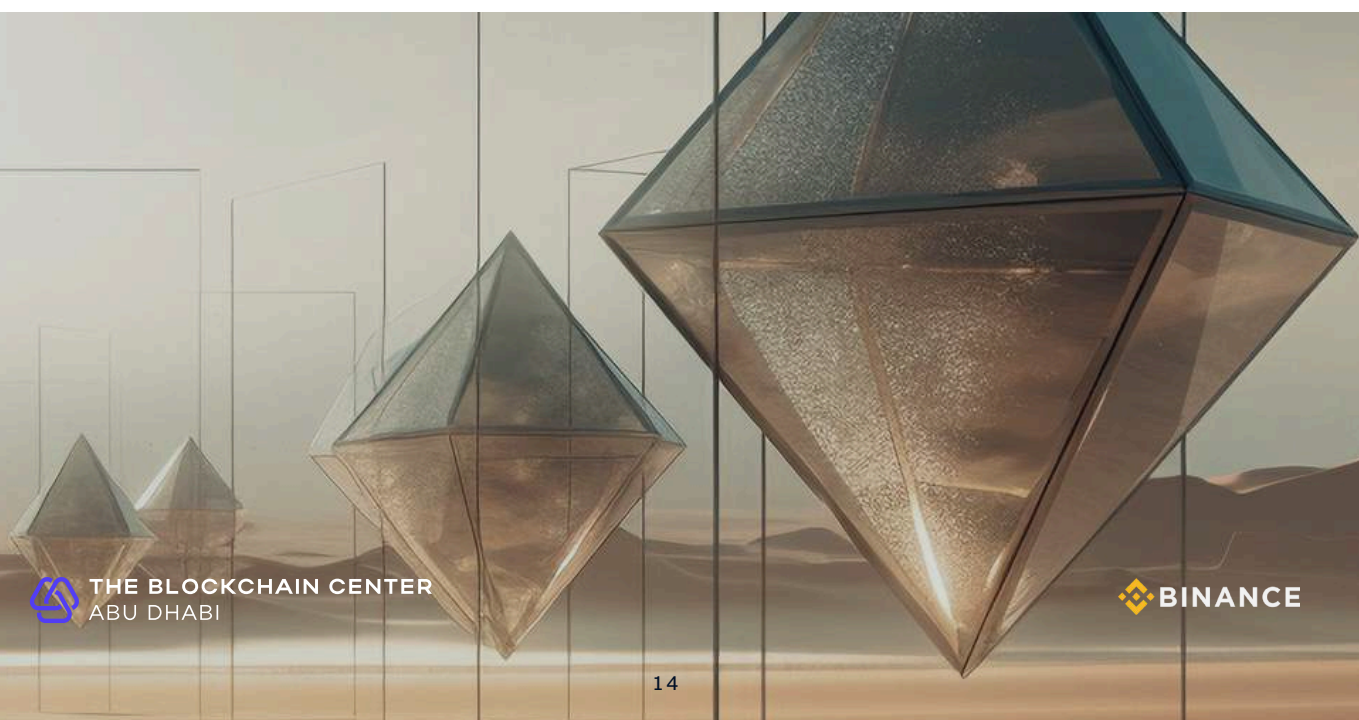
While this permissive environment catalyzed innovation, it also created regulatory fragmentation. Each zone functioned in isolation, offering incorporation but no prudential oversight, investor-protection framework, or token-listing standards. At the time, the CMA as a federal regulator had not yet extended its remit to crypto assets and had begun obtaining stakeholder feedback on its draft regulations, with no formal framework in place yet.⁹ There wasn't an emirate-level financial regulator. The result was a commercially vibrant yet legally undefined set of sandboxes that relied on informal coordination between free-zone authorities and the Department of Economic Development of each emirate.

In parallel, Abu Dhabi's ADGM pursued a different strategy. Seeking to anchor the UAE's ambitions in institutional finance, the FSRA issued its Financial Services and Markets Regulations (FSMR) relating to crypto assets in June 2018, making it one of the earliest dedicated comprehensive virtual asset regimes globally.¹⁰ This framework established clear definitions for "Virtual Assets" and created a regulatory framework for activities including operating a Virtual Asset Exchange, providing Virtual Asset Custody services, and Virtual Asset Management. Operating under English common law, ADGM's framework introduced prudential capital requirements, AML/CFT/KYC obligations, governance rules, and ongoing supervision. This gave the UAE its first legally recognized virtual-asset regulator, whose model would later influence the DFSA, CMA, and VARA regimes.

By the end of 2020, the regulatory map of the UAE had crystallized into two complementary archetypes. Dubai embodied a decentralized, commercially driven approach that harnessed its free-zone ecosystem to attract hundreds of blockchain ventures. Abu Dhabi's ADGM on the other hand represented a centralized prudential model aligned with international financial-regulatory standards. The coexistence of these two approaches defined the pre-VARA landscape and set the stage for the federal-emirate integration that would unfold after 2021.

⁹ <https://www.sca.gov.ae/en/media-center/news/15/10/2019/crypto-asset-draft-regulations>

¹⁰ <https://www.adgm.com/media/announcements/adgm-launches-crypto-asset-regulatory-framework>



2021 - 2023: The Transition to Regulated Commercialization Across Free Zones

Between 2021 and 2023, the UAE's blockchain market transitioned from permissive experimentation to structured regulatory supervision. Distinct codified frameworks for virtual-asset activity emerged under different jurisdictions, reflecting a shift from technology adoption toward financial oversight and investor protection. This period produced five landmark developments, as described below.

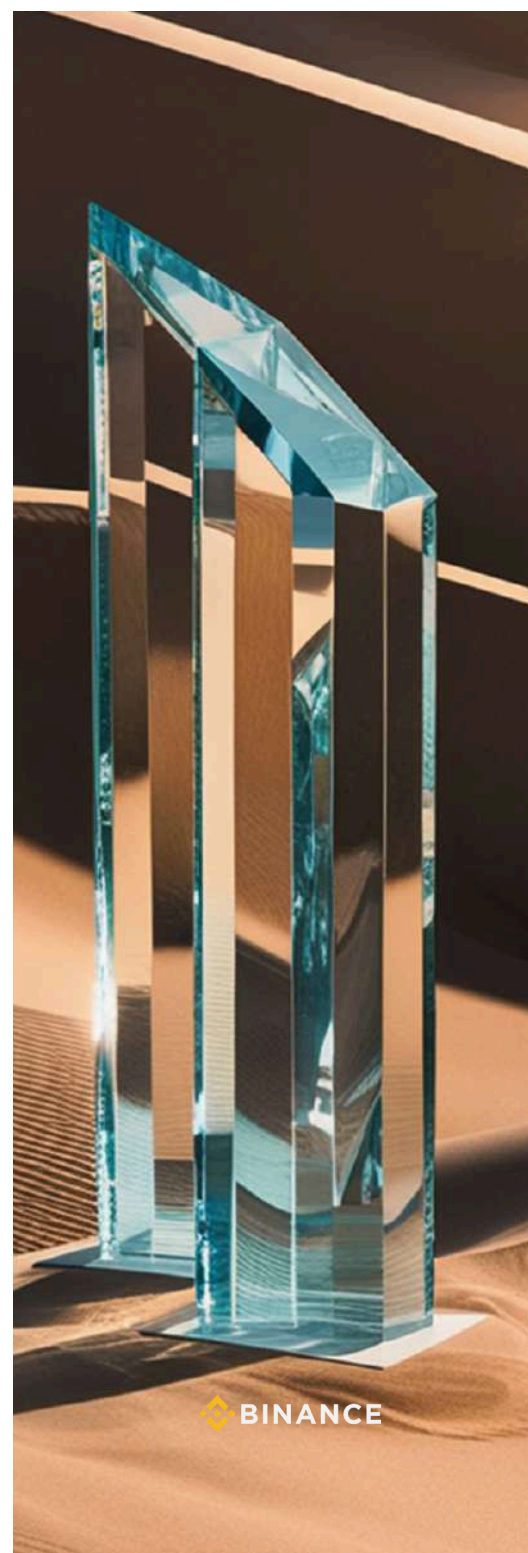
01 **Collaboration between the CMA and free zone authorities**

Dubai was the first emirate to formalize its dedicated virtual asset ambitions. In May 2021, the CMA and the DAFZ entered into an agreement to support the regulation, issuing, listing, and trading of crypto assets within the DAFZ.¹¹ In September 2021, the CMA and the DWTC Authority entered into a similar agreement to support the regulation and licensing of financial activities related to crypto assets within the DWTC.¹² Following this, in December 2021, the Dubai government announced that the DWTC would become a comprehensive zone and regulator for virtual assets, including operators and exchanges.¹³ For the first time, a Dubai free zone could license and supervise virtual asset businesses, including exchanges, custodians, and token issuers, under federal regulatory oversight of the CMA. This initiative served as a legal and operational bridge between the CMA's federal authority and Dubai's free-zone ecosystem, paving the way for a dedicated emirate-level regulator.

¹¹ <https://www.sca.gov.ae/en/media-center/news/19/5/2021/sca-dafza-mou-crypto-assets>

¹² <https://www.dwtc.com/en/press/securities-and-commodities-authority-signs-agreement-with-dubai-world-trade-centre-authority-to-support-trading-of-crypto-a-2021/>

¹³ <https://www.mediaoffice.ae/en/news/2021/december/20-12/dubai-news>



Establishment of VARA

This framework evolved into a new institution shortly afterward. The Dubai Law No. 4 of 2022 established VARA, the world's first stand-alone virtual-asset regulator. VARA was mandated to oversee all virtual-asset activities across Dubai mainland and all special development zones and free zones in Dubai, excluding the DIFC. Its authority encompasses regulating and supervising virtual asset service providers for broker-dealing, custody, trading, advisory, and any other services related to virtual assets. VARA's authority also extends to regulating, supervising and overseeing the issuance and offering of virtual assets and tokens, as well as advertising and cross-border marketing of virtual assets.

VARA subsequently assumed this regulatory remit and consolidated Dubai's oversight of virtual asset activities under a single authority. VARA began formalizing its rulebooks throughout 2022 and 2023, culminating in the Virtual Assets and Related Activities Regulations 2023. Subsequently, VARA started issuing provisional and full operating licenses, and by 2024, VARA had onboarded global exchanges such as Binance,¹⁴ Crypto.com,¹⁵ OKX,¹⁶ and BitOasis,¹⁷ alongside smaller custodians, brokers, and OTC firms.

At the same time, the DMCC expanded its Crypto Centre, which had been launched in May 2021, into a dedicated ecosystem for blockchain and Web3 ventures.¹⁸ The DMCC itself does not have a financial regulator and cannot issue financial or virtual asset regulatory licenses. Companies incorporated within the DMCC operate under VARA's jurisdiction. Therefore, any DMCC-based company engaging in regulated virtual-asset activity must hold a VARA license. This arrangement created a dual-layer model - DMCC for corporate incorporation and ecosystem support, and VARA for regulatory supervision - that remains the structural template for Dubai's virtual asset framework to date.

¹⁴ <https://www.vara.ae/en/licenses-and-register/public-register/binance-fze/>

¹⁵ <https://www.vara.ae/en/news/crypto-com-secures-mvp-preparatory-license-from-dubais-virtual-assets-regulatory-authority/>

¹⁶ <https://www.vara.ae/en/licenses-and-register/public-register/okx-middle-east-fintech-fze/>

¹⁷ <https://www.vara.ae/en/news/bitobasis-becomes-the-first-broker-dealer-to-secure-mvp-operational-licence-from-dubais-virtual-asset-regulatory-authority/>

¹⁸ <https://www.prnewswire.com/ll/news-releases/dmcc-launches-crypto-centre-to-champion-cryptographic-and-blockchain-technologies-in-dubai-823690962.html>

03 **Expansion of DIFC's Capital Markets Framework**

Parallel reforms were underway in ADGM's counterpart in Dubai, the DIFC. The DFSA, which is the regulator for the DIFC, adopted a phased expansion of its capital-markets rulebook. In October 2021, it launched the Investment Token Regime, enabling the marketing, issuance and trading of tokenized equities, funds, and derivatives within regulated market infrastructure.¹⁹ Building on that foundation, the Crypto Token Regime came into force on 1 November 2022, permitting licensed firms to offer custody, exchange, and advisory services for recognized crypto tokens.²⁰ The DFSA initially recognized Bitcoin (BTC), Ether (ETH), and Litecoin (LTC),²¹ later adding XRP and Toncoin (TON) in November 2023.²² By doing so, DIFC became the UAE's second financial free zone with a full digital asset regime, complementing the FSRA's 2018 crypto asset framework in ADGM and reinforcing the UAE's international credibility in institutional tokenization and fund management.

04 **RAKIC and the Decentralized Frontier**

Meanwhile, Ras Al Khaimah advanced a different frontier. In October 2023, it enacted Law No. 2 of 2023 to establish the RAK DAO, the world's first free-zone regime purpose-built for decentralized autonomous organizations ("DAOs") and Web3 incorporation. RAK DAO granted legal personhood and limited liability to DAOs, enabling blockchain protocols and Web3 projects to establish recognized legal entities under the UAE law. RAK DAO publicly announced the issuance of over 400 registrations by mid-2025, positioning Ras Al Khaimah as the country's Web3 governance and infrastructure hub rather than a financial regulator.²³ RAK DAO has since been integrated into a broader hub called RAK Innovation City (RAKIC), focused on AI, Web3, robotics, gaming and healthtech.

¹⁹ <https://www.dfsa.ae/news/dfs-a-introduces-regulatory-framework-investment-tokens>

²⁰ <https://www.dfsa.ae/news/dfs-a-crypto-token-regime-comes-force>

²¹ <https://www.dfsa.ae/news/notice-amendments-legislation-october-2022-2>

²² <https://www.dfsa.ae/news/notice-crypto-token-recognition>

²³ <https://www.wam.ae/en/article/b5v0d5w-ruler-ras-khaimah-opens-rak-digital-assets-oasis>

05 **Federal Integration: CMA's Overarching Framework**

At the federal level, the UAE Cabinet issued Resolution No. 111 of 2022 Concerning the Regulation of Virtual Assets and their Service Providers, which formalized federal oversight of virtual asset activities. The resolution prohibits engaging in virtual asset activities in the UAE without obtaining the approval and license from the CMA or the relevant local licensing authorities (e.g., VARA). This extended to the following activities:

1. Operating virtual asset trading platforms;
2. Provision of exchange services for virtual assets;
3. Provision of virtual asset transfer services;
4. Provision of brokerage services for virtual assets;
5. Provision of custody, management, and control of virtual assets;
6. Provision of financial services related sale or issuance of virtual assets.

This cabinet resolution made the CMA the primary federal supervisory authority for virtual asset activities, service providers and transactions across the UAE, including all free zones but excluding the financial free zones (namely, ADGM and DIFC).

Following this, the CMA published the CMA Board of Directors Decision No. 26 of 2023 on the Regulation of the Virtual Asset Platform Operator, which outlined the duties and obligations of virtual asset exchanges seeking to be licensed by the CMA.²⁴ Through the CMA Board of Directors Decision No. 27 of 2023, VASPs were brought under full regulatory regime of the CMA and subject to the provisions of the CMA's Rulebook for Financial Activities, as a Category 7 licensed activity.²⁵

The CMA also supplemented this framework with the Guidelines Regulation of Virtual Assets and Virtual Assets Services Providers, which provides the key governance and control measures that VASPs are required to put in place as part of its licensing obligations.²⁶

²⁴ <https://www.sca.gov.ae/assets/e2284abc/26-2023-e.aspx>

²⁵ Chairman of the CMA's Board of Directors Decision No. 13 of 2021 regarding the Rulebook for Financial Activities, <https://www.sca.gov.ae/en/regulations/regulations-listing?id=206>

²⁶ <https://www.sca.gov.ae/assets/2f70b3b8/guidelines-regulation-of-virtual-assets-and-virtual-assets-services-providers.aspx>

2024 - 2025: CMA and CBUAE Introduce Federal Blockchain Frameworks

By 2024, the UAE entered a period of regulatory consolidation, marked by the federal authorities taking a more assertive role in standardizing the treatment of tokenized financial instruments and payment tokens nationwide. This phase represents the transition from emirate-level experimentation to a cohesive federal architecture that anchors the country's virtual-asset regime within its broader financial system.

01 **CMA: Establishing Federal Frameworks Over Securities and Commodities**

With its virtual asset licensing framework in place, the CMA opened up to license applications from VASPs.²⁷ In June 2025, the CMA introduced its long-awaited Security Tokens and Commodity Tokens Contracts Regime, formally integrating tokenized instruments into the CMA's framework.²⁸ The regime defines the issuance and trading of tokenized equities, bonds, funds, derivatives, and commodity-linked instruments as regulated securities activities, requiring CMA licensing or approval for any activity conducted outside the two financial free zones.

This confirmed that even within emirate-level jurisdictions such as VARA, tokenized securities remain subject to CMA oversight. The CMA adopted a principles-based model for token-admission: VASPs must maintain internal governance policies for listing and due diligence, while CMA intervenes only when a token qualifies as a security or payment instrument under federal definitions. The regime effectively harmonized the treatment of tokenized securities across the mainland and the non-financial free zones, complementing, but not superseding, the FSRA's and DFSA's frameworks in ADGM and DIFC respectively.

The practical application of the SCA's framework was demonstrated in October 2025, when Bybit became the first virtual asset platform operator licensed by the CMA. This authorization marked an initial federal licensing milestone for virtual asset activities.

²⁷ <https://www.sca.gov.ae/en/media-center/news/18/7/2023/sca-receives-applications-for-licensing-companies-intending-to-provide-virtual-asset-services>

²⁸ <https://www.sca.gov.ae/en/regulations/regulations-listing>



02 CBUAE: Regulating Payment Tokens and Stablecoins

In July 2024, the CBUAE issued the Payment Token Services Regulation (PTSR) through Circular No. 2/2024, creating the country's first unified legal structure for stablecoins and payment tokens. The framework introduced three licensing categories, namely Payment Token Issuance, Payment Token Conversion, and Payment Token Custody & Transfer. The PTSR required reserve backing for Dirham-denominated payment tokens at 100% of the face value, to be held in liquid assets.²⁹

The PTSR prohibits algorithmic tokens and privacy tokens from being used as payment instruments, and restricts the use of foreign currency-pegged stablecoins to crypto trading pairs or crypto derivatives on licensed exchanges only. Together, these measures reinforced the monetary primacy of the UAE dirham while allowing tokenized payment instruments to coexist safely within the formal financial sector. The regulation also anticipates interoperability with the Digital Dirham CBDC initiative, ensuring future alignment between privately issued stablecoins and national digital-currency infrastructure.

Further, Federal Decree-Law No. 6 of 2025 expands the CBUAE's powers of licensing and supervision to decentralized finance applications, protocols and other technology service providers that facilitate licensed financial activities. While the position of technology service providers was previously less explicit, the new law expressly brings technology-enabled platforms and infrastructure within the CBUAE's regulatory perimeter where they enable or facilitate regulated activities. The CBUAE has not yet issued detailed implementing regulations or guidelines in this regard, which are expected to provide further clarity on the specific activities subject to licensing, as well as the applicable licensing procedures.

²⁹ <https://rulebook.centralbank.ae/en/rulebook/article-22-management-and-safekeeping-reserve-assets>

Toward a Layered and Interoperable Regime

Collectively, these reforms marked the UAE's transition from unregulated innovation to structured regulatory pluralism. As of 2025, the country had established the foundation for four complementary regulatory tiers:

- **Tier 1:** Federal Regulators: CMA, as the federal securities and virtual asset regulator, governs virtual asset service providers and tokenized securities activities across all emirates (excluding financial free zones), with CBUAE governing payment tokens, stablecoins, and payment services;
- **Tier 2:** Emirate-Level Regulators: VARA, regulating operational and retail virtual-asset activities across Dubai;
- **Tier 3:** Financial Free Zones: ADGM (under the financial services regulator FSRA) and DIFC (under the financial services regulator DFSA), governing financial services including virtual assets, and institutional finance under common-law regimes within their respective free zone jurisdictions; and
- **Tier 4:** Commercial Free Zones: Free zone commercial licensing for non-financially regulated blockchain and technology use cases is permitted via various free zones, notably the DMCC, DSO, IFZA, and DWTCA in Dubai and the RAKIC in Ras Al Khaimah.

This multi-layered structure effectively bridges experimentation and regulation, transforming the UAE into a jurisdiction where crypto assets, tokenization, and decentralized finance can coexist under tiered supervision.

Comparison Table of Regulatory Frameworks in the UAE

Regulator	FSRA (ADGM)	DFSA (DIFC)	VARA	RAKIC Authority	CMA	CBUAE
Geographic Coverage	Al Maryah Island and Al Reem Island in Abu Dhabi	DIFC free zone within Dubai	Dubai mainland and free zones within the emirate of Dubai (excluding DIFC)	RAKIC free zone in Ras Al Khaimah	Federal jurisdiction across all emirates	Federal jurisdiction across all emirates
Free Zone or Mainland	Financial Free Zone	Financial Free Zone	Mainland and free zones in Dubai (emirate-level authority)	Free Zone	Mainland and free zones, excluding financial free zones (federal authority)	Mainland and free zones, excluding financial free zones (federal authority)
Governing Law	Common-law	Common-law	Dubai Law No. 4 of 2022 and subsequent regulations issued by VARA.	Law No. 2 of 2023	Federal Law No. 4 of 2000 and subsequent resolutions issued by the CMA.	Federal Decree-Law No 6 of 2025 and subsequent circulars, including the Payment Token Services Regulation (Circular No. 2/2024)
Target Market Access	Institutional finance, tokenized securities, and stablecoin issuance	Institutional capital markets, funds, and custody services	All commercial and consumer-facing virtual asset platforms in Dubai	Web3 and DAO incorporation for non-financial entities	Nationwide securities issuance and VASP licensing	Nationwide payment token and stablecoin issuance
Solicitation Limitations	ADGM only ^a	DIFC only ^a	Dubai only	N/A (non-financial)	No limitation	No limitation
Corporate Tax Rate	0% on qualifying Free Zone income; ^b 9% otherwise				Standard mainland corporate tax (9%) for regulated entities	
Approved Token List	Firm-specific "Accepted Virtual Assets" approved by FSRA on a case-by-case basis	No longer maintains a list and requires each entity to assess the crypto token they use meets the DFSA's suitability criteria	No public token list; licensing based on activity type and disclosure	N/A (non-financial)	No specific list; CMA leaves the determination to licensees	For payments: Only approved AED-referenced payment tokens; Foreign payment tokens may be used for trading.
Govern Issuance and Trading of Tokenized Securities	Yes	Yes	No	No	Yes	No
Govern Stablecoin Issuance and Payments	Yes ^c	No ^d	No	No	No	Yes

^a Reverse solicitation is allowed, but entities licensed cannot actively solicit outside their respective jurisdictions

^b The 0% rate applies only to "qualifying income" from non-financial activities that meet the substance and reporting standards.

^c ADGM may issue licenses for "Fiat-Referenced Tokens" for operation within ADGM; broader UAE payment use may trigger additional CBUAE requirements

^d DIFC may authorize listing or custody of stablecoins for investment purposes but cannot license their issuance or payment use

Pathways for Blockchain Companies

An entity looking to set up within the UAE can use the following framework to help choose a jurisdiction to establish itself. This section is provided for descriptive and informational purposes only and outlines common regulatory pathways observed in practice.

01 Define Core Business Model

A. Financial or Virtual-Asset Services

Companies that provide exchange, brokerage, custody, lending, staking, or token-issuance services qualify as VASPs under UAE law. These entities must obtain a license from one of the financial regulators - ADGM (FSRA), DIFC (DFSA), VARA, or the CMA - depending on the jurisdiction of operation.

B. Payment Services and Fintech Operations

Entities that handle money movement, settlement, or fiat-crypto conversion may fall under payment regulation governed by the CBUAE, depending on the specific nature of their activities and whether they involve payment tokens as defined in the PTSR or other payment services under applicable CBUAE regulations.

Three primary frameworks apply:

- The CBUAE's Stored Value Facilities Regulation (Circular No. 1 of 2020) for stored-value facilities.
- The CBUAE Retail Payment Services and Card Schemes Regulation (Circular No. 5 of 2023) for payment gateways, and other retail payment service providers.
- The CBUAE Payment Token Services Regulation (Circular No. 2 of 2024) for payment tokens including stablecoins and other blockchain-based payment instruments.

Firms conducting any payment token or stablecoin activity must obtain direct authorization from the CBUAE, regardless of incorporation on the mainland or in any of the free zones. Where hybrid activities exist, such as an exchange offering payment settlement or stablecoin conversion, dual authorization may be required from multiple regulators.

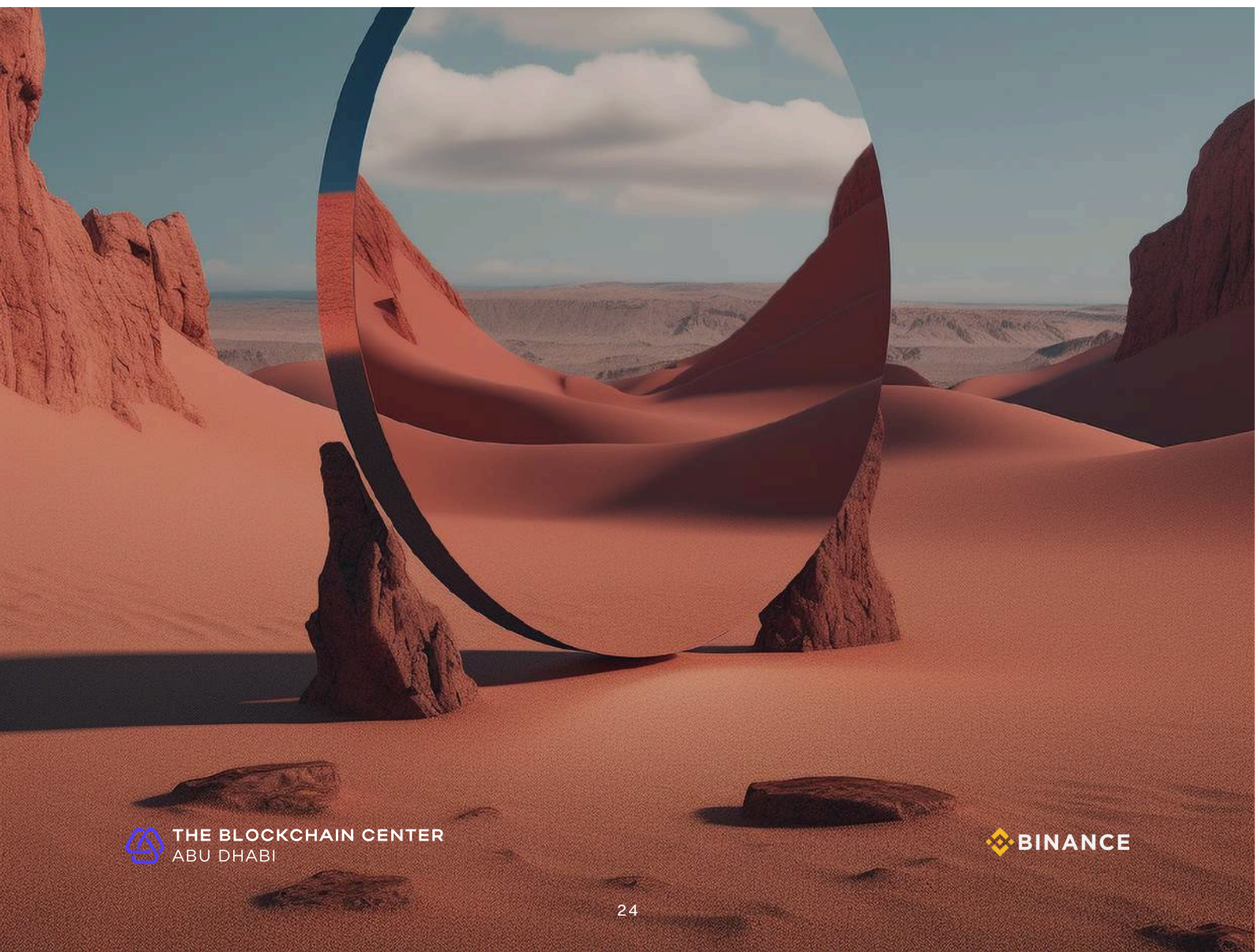
C. Issuance and Trading of Tokenized Securities or Tokenized Investment Products

Issuers or managers of tokenized equities, funds, debt instruments, or structured investments fall under CMA at the federal level. CMA retains ultimate authority over any instrument classified as a security.

Within free zones, the FSRA (for ADGM) and DFSA (for DIFC) exercise parallel authority, applying the same principles under their respective security token regimes. Tokenized real-world assets (RWAs) may be treated as securities if structured with an investment or yield component.

D. Other

Developers of blockchain infrastructure, smart contract platforms, DAOs, or analytics systems that do not hold or manage client assets are classified as non-financial technology entities. Such entities may incorporate anywhere in the UAE, including the mainland if desired.



02 Select Regulatory Jurisdiction

After classifying the nature of your activity, the next decision is jurisdictional. In the UAE, this choice is primarily shaped by three variables: tax base, geographic reach, and governing law.

A. Tax Base and Corporate Form

Free-zone jurisdictions such as ADGM, DIFC, VARA-approved Dubai free zones, and RAKIC may qualify for a zero (0%) percent corporate-tax rate on qualifying income if they meet the requirements for Qualifying Free Zone Person (QFZP) status, including maintaining adequate substance and meeting specified conditions under UAE corporate tax law.

By contrast, entities licensed directly under CMA or CBUAE that do not qualify as Qualifying Free Zone Persons are generally subject to the nine (9%) percent federal corporate-tax rate on their taxable income.

B. Geographic Coverage and Marketing Reach

A license's geographic scope determines where the firm can solicit, market, or serve clients.

- **ADGM and DIFC:** Activities are limited to institutional or professional clients within their respective free zones unless cross-recognized by another regulator or authorized under a memorandum of understanding.
- **VARA:** Oversees all Dubai mainland and Dubai free zones (excluding DIFC) and expressly permits retail-facing digital asset activity under controlled conditions.
- **CMA and CBUAE:** Exercise federal jurisdiction across all seven emirates, including both mainland and free zones

Entities licensed in one jurisdiction must ensure they do not market or onboard clients in another without regulatory consent.

C. Governing Law and Judicial Framework

ADGM and DIFC operate under English common law, providing international investors with familiar standards for contracts, dispute resolution, and fiduciary duties. The other jurisdictions operate under UAE civil law.

CMA and CBUAE derive their powers from federal legislation, applying UAE civil law across all emirates.

03 Determine Ancillary Authorizations and Interagency Requirements

In addition to obtaining a primary license, entities establishing blockchain or digital asset operations in the UAE should assess whether ancillary approvals or interagency clearances are required for their specific activities. These secondary authorizations vary by sector and location but often determine whether a business can legally market, tokenize, or process data across jurisdictions.

For example, firms licensed in one jurisdiction that intend to market or solicit clients in another emirate, such as an Abu Dhabi-based entity promoting services in Dubai, may need to obtain local marketing recognition from the applicable authority, such as VARA. Likewise, projects involving tokenization of real-estate interests may require coordination with the Dubai Land Department or equivalent municipal body to ensure that onchain representations of property comply with underlying land registration and ownership laws.

Similarly, companies engaged in blockchain analytics, data hosting, or infrastructure operations should evaluate whether their activities trigger oversight by the Telecommunications and Digital Government Regulatory Authority. The TDRA enforces national standards on data localization, cross-border data transfers, and encryption use; analytics providers processing onchain or user-linked data originating in the UAE may need to demonstrate compliant data-storage practices or file encryption-use notifications.

These examples underscore that ancillary approvals are context-dependent and should be reviewed during the early stages of regulatory planning.

CURRENT STATE OF UAE BLOCKCHAIN INNOVATION

The UAE has been moving beyond regulatory announcements into aggressive, sovereign-scale adoption of blockchain technology. Tokenization has emerged as the cornerstone of its digital economy strategy, with the country now leading the Middle East in converting real-world assets into programmable digital tokens.



What distinguishes the UAE at this stage is the breadth and coherence of live deployments across multiple sectors of national importance.

Blockchain activity in the UAE now spans real-world asset markets, payment systems, digital identity infrastructure, cross-border trade, and public-sector services, operating within regulated environments and supported by sovereign and institutional actors.

Adoption has occurred in parallel across several layers of the economy, steadily coalescing into one another. Tokenization initiatives intersect with capital markets and real estate. Stablecoins and CBDC-linked pilots connect commercial banking with next-generation payment rails. Digital identity systems underpin both government services and private-sector compliance. Trade and settlement platforms integrate blockchain into logistics, commodities, and foreign exchange flows.

This section provides a structured snapshot of where that adoption stands today. It moves from a high-level overview of active domains into detailing example use cases, platforms, and institutional initiatives currently operating or scaling within the UAE.

The tables and case examples that follow are intended to highlight recent, verifiable implementations, describing not only what has launched, but how these systems and initiatives align with the UAE's approach.

Beyond the examples listed in the following section, there are a plethora of international blockchain companies developing applications within UAE free zones for international deployment. They have been omitted for the sake of brevity, focusing primarily on locally-driven or locally-partnered initiatives to capture the overall maturity of blockchain integration into UAE institutions. We have included blockchain-native protocols in the list of initiatives when they have explicitly partnered with a locally prominent agency or institution.

KEY USE CASES

Below is a breakdown of the blockchain use cases of relevance to the UAE's economic strategy, along with the current status of initiatives in each category.

	Use Case	Strategic Rationale	UAE Status (2025)
1	Real-World Asset (RWA) Tokenization	Capital market deepening through the monetization of illiquid assets, including real estate, private credit, and commodities, to attract global institutional capital and expand onshore market liquidity.	Live, but Early. Digital bonds issued by First Abu Dhabi Bank and listed on ADX. Fractionalized residential real estate via regulated platforms (e.g., Prypco). Commodity tokenization operational for various assets.
2	Digital Identity and Verifiable Credentials	Reduction of friction by establishing a trusted, interoperable identity layer for residents and enterprises, enabling faster onboarding and reusable compliance credentials.	National Infrastructure. UAE Pass operational for over 11 million users. Ecosystem progressing from authentication toward verifiable credentials, with universities and health authorities issuing onchain academic and medical records.
3	Stablecoins and Tokenized Deposits	Preservation of monetary sovereignty by anchoring digital payments and onchain settlement to the AED and limiting reliance on foreign-denominated crypto instruments.	Retail and Institutional Deployment. Regulated AED-backed stablecoins operational. Usage expanding beyond trading venues into physical retail, including ADNOC service stations and telecom payments via e&.
4	Payments and Remittances	Improvement of settlement efficiency for domestic retail payments and cross-border remittance flows exceeding USD 40 billion annually, reducing cost and settlement time.	Hybrid Rails in Production. Private institutional infrastructure active, including blockchain-based government fee payments and cross-border remittance processing for exchange houses. Retail CBDC (Digital Dirham) Phase 1 live for peer-to-peer transfers.
5	Cross-Border FX and Wholesale Settlement	Strengthening trade corridor competitiveness by reducing dependence on correspondent banking and enabling faster, programmable settlement.	Wholesale Production. Sovereign-grade platforms such as mBridge operational in MVP form. Commercial banks using programmable ledger systems for internal treasury management and interbank liquidity operations.
6	Supply Chain and Trade Logistics	Enhancement of logistics resilience and trade efficiency to reinforce the UAE's position as a global re-export and trade finance hub.	Early Production Infrastructure. Blockchain integrated as a data layer within DP World's CARGOES platform and Dubai Customs workflows. Strong appetite for production-grade deployment.
7	Other Use Cases (AI, Gaming, Privacy)	Strategic positioning at the intersection of compute, data sovereignty, and digital ownership to support future economic diversification.	Targeted Capital Deployment. UAE entities directing exploratory capital toward AI-blockchain infrastructure. Web3 Gaming still pre-PMF but continues to draw investment from the UAE. Privacy a continued priority with some entities exploring ZK technology.

Tokenization of Real-World Assets (RWA)

Tokenization of real-world assets has become a core component of the UAE's approach to capital market development. Policymakers and market participants have focused on integrating digital issuance and settlement mechanisms into existing legal, custody, and market infrastructures.

Early activity emphasized retail-facing fractionalization, particularly in high-value residential real estate. More recent developments, however, point to a shift toward institutional and wholesale applications, including tokenized bonds, sukuk, and other fixed-income instruments issued within regulated frameworks.

The establishment of formal security token regimes has supported this transition by providing legal clarity around issuance, custody, disclosure, and lifecycle management. Sovereign-linked entities and regulated financial institutions have played a central anchoring role in this process. Their participation has signaled that tokenization platforms are intended to operate as extensions of the capital markets rather than as standalone technology ventures. This has encouraged the involvement of global banks, infrastructure providers, and asset originators, while keeping activity within defined regulatory perimeters.

Across these use cases, regulators have maintained a non-prescriptive stance on underlying blockchain technology. Assets are issued across multiple networks, with supervisory attention directed toward asset integrity, custody arrangements, and investor protections. This approach has allowed experimentation at the technical layer while preserving consistency in market conduct, and has reinforced tokenization's role as capital markets infrastructure rather than a parallel crypto market.

Real Estate Initiatives

Example	Partners	Description	Blockchain /Platform	Launch/Status
Prypco ³⁰	Ctrl Alt Solutions, Zand Digital Bank, Dubai Land Department	Government-supported pilot tokenizing property title deeds for fractional ownership (starting at AED 2,000/share); enables instant settlement and global investor access.	XRP Ledger (XRPL)	Pilot launched May 2025
DAMAC Real Estate ³¹	Mantra	Tokenizing >\$1bn of DAMAC's luxury properties for exclusive onchain trading; focuses on residential and commercial fractional shares	Mantra	Planned 2025-2026
MAG Real Estate ³²	MAG, Multibank Group, Mavryk	Tokenizing \$3bn of MAG Group's real estate portfolio, including apartments and offices	Mavryk Layer-1	Announced May 2025
Tokinvest Platform ³³	Zand Bank	UAE-regulated RWA platform tokenizing developer properties; targets retail and institutional fractional investments	Polygon	Live (VARA Licensed Dec 2024)
Abu Dhabi Real Estate Initiative ³⁴	TII, VentureOne, Finstreet, ADI Foundation, ADRES, Abu Dhabi Real Estate Centre (ADREC)	Strategic MoU involving multiple partners to develop and deploy blockchain solutions for automating ownership transfers, tokenizing real estate, lowering investment barriers, enhancing market integrity, and supporting fractional ownership in Abu Dhabi real estate market	ADI Chain	MoU announced October 2025

Securities and Bonds Tokenization Initiatives

Example	Partners	Description	Blockchain /Platform	Launch/Status
First Abu Dhabi Bank (FAB) Digital Bond ³⁵	HSBC, ADX	First DLT-based digitally native bond in MENA; issued by FAB, listed on ADX, available on HSBC Orion for trading	HSBC Orion	Issued/Listed (reported July 2025)
Kaio Platform ³⁶	Mubadala Capital, Brevan Howard, Laser Digital, Hamilton Lane, Blackrock	Tokenized shares of institutional funds	Multichain (Hedera, Sei, and Others)	Live (launched August 2025)
Liv Bank Tokenization Initiative ³⁷	Ctrl Alt	MoU to explore tokenization of real-world assets, targeting Gen Z investors for fractional ownership	Unconfirmed	MoU announced May 2024

³⁰ <https://dubailand.gov.ae/en/news-media/>

³¹ <https://mantrachain.io/>

³² <https://tradfi.multibankgroup.com/en-AE/about/company-news/>

³³ <https://tokinvest.capital/insights-and-news/>

³⁴ <https://www.wam.ae/en/article/bmgrkd5-adrec-partners-advance-blockchain-abu-dhabi-real>

³⁵ <https://www.about.hsbc.ae/news-and-media/>

³⁶ <https://www.kaio.xyz/blog>

³⁷ <https://www.emiratesnbd.com/en/media-center/>

Commodities Initiatives

Example	Partners	Description	Blockchain /Platform	Launch/Status
DMCC Tradeflow Gold Tokens ³⁸	XinFin Protocol (XDC)	Tokenizing physical gold bars stored in Dubai vaults	XDC	Partnership launched Dec 2022
Fils / Mashreq Bank ³⁹	Mubadala Capital, Brevan Howard, Laser Digital, Hamilton Lane, Blackrock	ESG fintech platform for tokenizing carbon credits; enables businesses to offset emissions with verifiable, high-integrity credits; integrates with payment systems for real-time tracking and ESG compliance	Sui blockchain	MoU Jan 2024

Digital Identity and Verifiable Credentials

The UAE is a global early mover in digital identity through UAE Pass, the national identity and authentication platform launched at GITEX on October 2018, by Smart Dubai (now Digital Dubai) alongside the Telecommunications & Digital Government Regulatory Authority (TDRA) and Abu Dhabi's Smart Solutions & Services Authority.⁴⁰ UAE Pass features a blockchain-enabled "Digital Vault" that lets users store and share verified documents securely with government entities, supporting traceable consent and paperless transactions. Core features include biometric sign-in and digital document signing/sharing via the UAE Pass app and Digital Vault.

Adoption is nationwide. TDRA reported 6.84 million UAE Pass users accessing 15,000+ digital services across 247 providers in 2023.⁴¹ By mid-2025, coverage expanded to 11 million UAE Pass users across 350+ public- and private-sector services.⁴²

³⁸ <https://dmcc.ae/latest-news/>

³⁹ <https://www.mashreq.com/en/uae/news/>

⁴⁰ <https://www.digitaldubai.ae/newsroom/news/2018/10/17/smart-dubai-and-tra-launch-national-digital-identity>

⁴¹ <https://tdra.gov.ae/en/media/press-release/2023/tdra-releases-the-digital-enablers-report-2023>

⁴² <https://gulfnews.com/uae/digital-id-adoption-surges-11-million-now-use-uae-platform-1.500268359>

From a user's perspective, UAE Pass works well because it removes friction almost entirely from everyday interactions with government and regulated services. A single mobile app replaces physical IDs, in-person verification, notarized copies, and repeated form filling. Once enrolled, residents can log in, sign documents, and share verified records in seconds using biometric authentication, whether opening a bank account, renewing a license, accessing healthcare, or completing real estate or visa-related transactions. The experience is notably consistent across federal and emirate-level services, which is rare internationally, and the same identity can increasingly be used with private-sector providers. In practical terms, tasks that would require appointments, photocopies, and signatures in many countries can be completed end-to-end on a phone, making UAE Pass a default daily utility rather than a niche digital service.

Beyond single sign-on, the UAE is advancing toward a verifiable credentials ecosystem building on the UAE Pass identity layer, with a number of initiatives live or in progress. Because UAE Pass is already deeply embedded across government services and built on a secure, blockchain-enabled document vault, the transition toward verifiable credentials is a natural extension, and the country is primed to be one of its early scalers.

The UAE began experimenting early with blockchain-based licensing and credential systems across healthcare and education. In 2020, the Ministry of Health and Prevention (MoHAP) piloted a blockchain platform to support the licensing and registration of healthcare facilities and professionals, aiming to improve data integrity and regulatory coordination,⁴³ and the national Hayat organ donation program was introduced as a digitally enabled registry linking identity, consent, and sensitive health records.⁴⁴ In parallel, the University of Sharjah pursued research into blockchain-based academic credentialing in 2021 through an R&D partnership with the BSV Blockchain Association.⁴⁵ Musadaqa, an education and workforce initiative developed with Ankabut (the UAE National Research and Education Network) and Educhain to enable blockchain-verified issuance and attestation of academic records using a verifiable-credential stack, began deployments as early as November 2020 and was later documented in a 2024 UAE case study.⁴⁶

While many of these initiatives remained pilots or research efforts, they demonstrate that the UAE was testing blockchain for regulated identity, consent, and credential use cases years before verifiable credentials reached mainstream adoption, helping pave the way for today's nationally scaled digital identity infrastructure.

⁴³ <https://mohap.gov.ae/en/w/mohap-launches-a-blockchain-based-platform-for-storing-data-of-the-licensed-health-and-pharmaceutical-facilities>

⁴⁴ <https://www.thenationalnews.com/uae/health/online-database-using-emirates-id-will-accelerate-organ-donation-process-1.820021>

⁴⁵ <https://www.sharjah.ac.ae/News/BSV-Blockchain-s-Association-signs-an-R-D>

⁴⁶ <https://link.springer.com/content/pdf/10.1007/s10639-024-12493-6.pdf>

Digital Identity and Verifiable Credentials Initiatives

Name	Category	Key Partners	Description	Blockchain / Platform	Status (Launch / Phase / Date)
UAE Pass	Digital Identity	TDRA (former TRA), Digital Dubai (Smart Dubai), ADDA	National digital identity and authentication platform	Hyperledger Fabric	Live and Scaled: Launched Oct 2018; scaled nationally with 11M+ users
UAE Digital Vault	Digital Identity / Trusted Records	UAE Pass ecosystem and credentialing providers (e.g., Educhain)	Storing and sharing official documents; powered by blockchain technology for secure storage/sharing	Quorum	Live: Available as a UAE Pass feature
UAE Verify	Blockchain Document Verification	TDRA, Federal & Local Gov't Entities	Platform enabling instant verification of digital documents using blockchain to ensure integrity, authenticity, and traceability	Quorum	Live - Launched Jan 18 2022; >25M verified docs to-date
Sharjah Maritime Academy Micro-Credentials ⁴⁹	Education / Workforce	Educhain	Blockchain-verified micro-credentials for graduates	Educhain	Announced Apr 2025

⁴⁹ <https://intlbn.com/2025/04/04/sma-launches-micro-credentials-using-educhains-blockchain-powered-platform/>

Stablecoins & Tokenized Fiat/Deposits

Stablecoins and tokenized deposits form a critical bridge between the UAE's traditional banking system and blockchain-native finance.

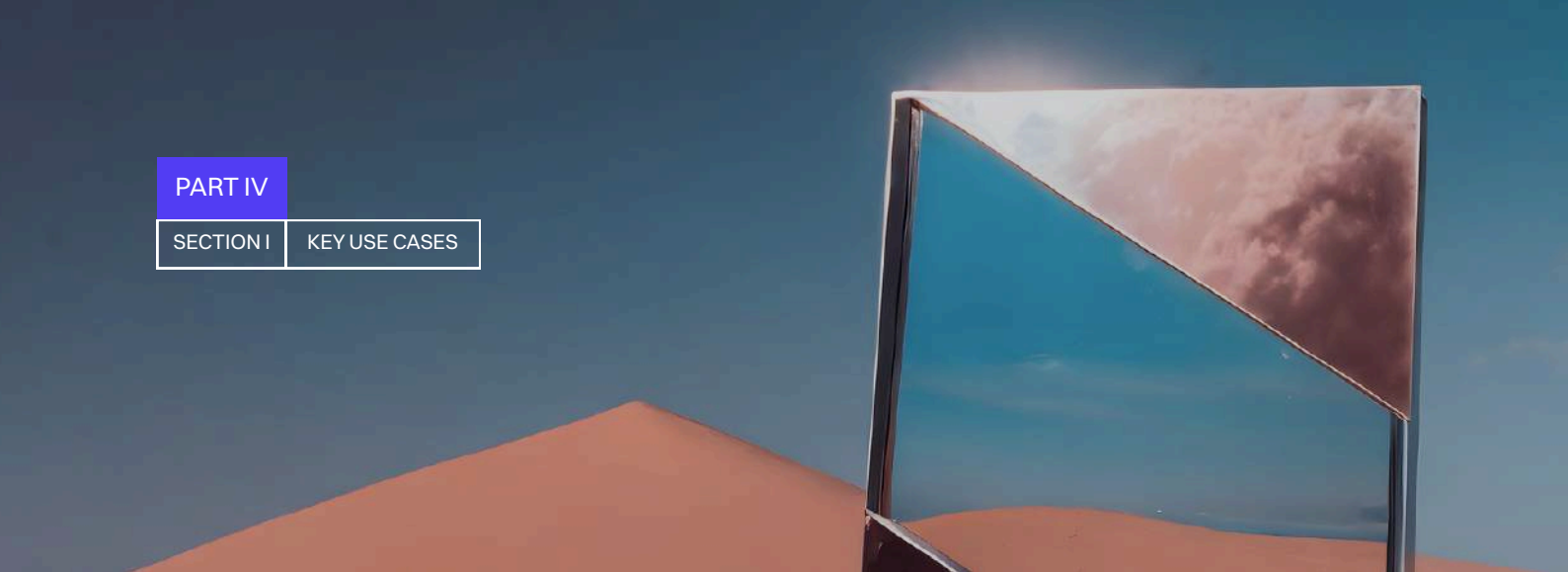
They enable fiat-referenced, programmable digital instruments that can support faster payments, improved liquidity management, and new onchain financial services. When properly regulated, these instruments offer the potential for near-instant settlement, reduced operational friction in cross-border transactions, and 24/7 availability compared with legacy banking rails.

In the UAE, payment-focused stablecoins are regulated under the Central Bank of the UAE's Payment Token Services Regulation (Circular C 2/2024).⁵⁰ A central design feature of the regime is the protection of monetary sovereignty. For on-shore payments for goods and services, the framework strongly favors dirham-denominated payment tokens, while the use of foreign-currency stablecoins is tightly constrained and generally not permitted for everyday retail or merchant payments. Non-AED stablecoins may, however, be permitted within regulated financial-market contexts, such as trading or settlement on licensed virtual-asset platforms, subject to the rules of the relevant authority, including VARA, ADGM, or the DIFC. Currently, only USD and EUR stablecoins have been recognized by UAE regulators. As other stablecoin currencies arrive on the market globally, this will likely expand.

Within this regulatory structure, several dirham-pegged stablecoin initiatives have been publicly disclosed. AE Coin from Al Maryah Community Bank has been positioned as a regulated dirham-referenced payment token, with early distribution supported through licensed banking channels. Separately, a consortium involving IHC, ADQ, and First Abu Dhabi Bank has announced plans in 2025 for a bank-issued dirham stablecoin, subject to regulatory approval, while Tether, in partnership with Phoenix Group and Green Acorn, had previously disclosed intentions to launch an AED-pegged stablecoin in 2024.⁵¹ At present, most of these initiatives are still in active development for full release and interoperability remains a key consideration; currently they are operating on their own blockchain architectures with minimal crosstalk.

⁵⁰ <https://rulebook.centralbank.ae/en/rulebook/payment-token-services-regulation>

⁵¹ <https://www.reuters.com/technology/tether-provide-stablecoin-pegged-uaes-dirham-2024-08-21/>



In parallel with private-sector initiatives, the Central Bank of the UAE (CBUAE) has been actively exploring central bank digital currency (CBDC) infrastructure as part of its broader Financial Infrastructure Transformation program. Early experimentation began in 2019 with Project Aber, a joint wholesale CBDC initiative conducted with the Saudi Central Bank, which successfully tested the issuance and cross-border settlement of a dual-issued digital currency between the two jurisdictions.⁵² Building on this foundation, the CBUAE is now advancing its Digital Dirham initiative, encompassing both wholesale and retail CBDC use cases.

Additionally, real-world adoption of AED-denominated stablecoins for payments is now beginning to materialize among major companies and service providers. In December 2025, ADNOC Distribution, the UAE's largest fuel and convenience retailer, signed a memorandum with Al Maryah Community Bank to integrate AE Coin, the first central bank-licensed AED-backed stablecoin, into its payment systems.⁵³ Customers will be able to use AE Coin for purchases at fuel pumps, Oasis by ADNOC convenience stores, and car wash facilities across nearly 980 service stations in the UAE, Saudi Arabia, and Egypt, marking one of the largest retail rollouts of a regulated stablecoin in the region. The same month, Telecom operator e& UAE has also entered into a partnership with Al Maryah Community Bank to pilot AE Coin for consumer payments, including mobile bill payments, prepaid and postpaid recharges, and other digital services, demonstrating stablecoin use beyond financial markets and into everyday payment use cases.⁵⁴

Alongside stablecoins, UAE banks and global financial institutions are exploring tokenized deposits, which are bank-issued, onchain representations of customer balances that remain fully within the banking system.

While large-scale deployment in the UAE remains at the pilot and planning stage, international banks operating in the region have publicly signaled their intent to introduce tokenized deposit offerings for corporate clients, highlighting the UAE's role as a testbed for regulated onchain banking innovation.

⁵² https://www.sama.gov.sa/en-US/News/Documents/Project_Aber_report-EN.pdf

⁵³ <https://www.coindesk.com/web3/2025/12/12/uae-s-largest-fuel-retailer-will-accept-stablecoin-in-980-stations-in-three-countries>

⁵⁴ <https://www.eand.com/en/news/10-dec-25-eand-uae-to-consider-enabling-stablecoin-payments-through-ae-coin.html>

AED-Pegged Stablecoin Initiatives

Issuer/Backer	Type	Status	Launch/Planned Date	Key Details
AED Stablecoin LLC (in partnership with Al Maryah Community Bank “Mbank”) ⁵⁵	Stablecoin	Approved by CBUAE	October 2024 approval	First fully regulated UAE stablecoin under the Payment Token Services Regulation
International Holding Company (IHC), ADQ, First Abu Dhabi Bank (FAB) ⁵⁶	Stablecoin	Planned / Subject to regulatory approval	Announced April 2025	To be issued by FAB, intended to run on the ADI Foundation blockchain
Zand Bank ⁵⁷	Stablecoin	Approved by CBUAE	November 2025 approval	First AED stablecoin to be launched on public blockchains
Central Bank of the UAE (CBUAE) ⁵⁸	CBDC	Pilot phase running	Announced April 2025; first transactions in November 2025	National digital currency framework, retail and wholesale formats under development

Non-AED Pegged Stablecoin Initiatives

Name	Issuer/Backer	Status	Launch/Planned Date	Key Details
USDC	Circle	Approved & Live (DFSA) ⁵⁹	Feb 2025 (DIFC)	Recognized crypto token in DIFC; trading pair only; enables USD liquidity for institutions
EURC	Circle	Approved & Live (DFSA) ⁵⁹	Feb 2025 (DIFC)	EUR-denominated for European trade corridors; trading pair only; DFSA-listed
USDT (USD₮)	Tether	Approved & Live (FSRA) ⁶⁰	Dec 2024 (ADGM)	Recognized as Accepted Fiat-Referenced Token (AFRT) in ADGM
USD1	World Liberty Financial	Pending approval	Live globally / Active Use	Used in MGX's \$2B Binance investment; ⁶¹ operational on ETH, BNB, TRX chains
USDU	Universal, Al Maryah Bank	Approved & Live (CBUAE, ADGM)	Feb 2026	First Foreign Payment Token registered by the Central Bank of the UAE

⁵⁵ <https://gulfnews.com/business/corporate-news/aed-stablecoin-secures-uae-central-bank-approval-to-launch-ae-coin-1.1728906640252>

⁵⁶ <https://www.adq.ae/newsroom/ihc-adq-and-fab-pioneer-uae-dirham-backed-stablecoin-for-the-digital-economy/>

⁵⁷ <https://www.zand.ae/en/news/zand-launches-uaes-first-aed-backed-stablecoin-on-public-blockchain>

⁵⁸ <https://www.globalgovernmentfintech.com/uae-digital-dirham-launch-date>

⁵⁹ <https://www.circle.com/pressroom/usdc-and-eurc-become-first-stablecoins-recognized-by-dubai-international-financial-centre>

⁶⁰ <https://tether.io/news/tethers-usdt-recognised-as-accepted-fiat-referenced-token-in-abu-dhabis-adgm-for-use-on-several-major-blockchains>

⁶¹ <https://www.reuters.com/world/middle-east/wlfs-zach-witkoff-usd1-selected-official-stablecoin-mgx-investment-binance-2025-05-01/>

Payments and Remittances

Payments in the UAE operate at a scale that is outsized relative to population and central to day-to-day economic activity.

Central Bank statistics show that the UAE Domestic Fund Transfer System processed over 20 trillion AED in total transfers in the first ten months of 2025, reflecting the volume of interbank, corporate, and customer payments flowing through regulated domestic rails.

Remittances – money sent from sender to recipient in different locations, often internationally – are a major structural driver of this payments intensity. The UAE is consistently ranked among the largest remittance-origin countries globally. The World Bank places the UAE as the second largest, and Visa’s Money Travels: 2025 Digital Remittances Adoption Report places the UAE as the world’s third largest sender of remittances.⁶² Remittance behavior is mainstream, with 95 percent of surveyed residents reporting that they send remittances at least once per year. In global context, the same report cites World Bank estimates that total global remittance flows reached USD 905 billion in 2024, positioning the UAE as a material contributor to cross-border personal payment flows. Simultaneously, the average cost of cross-border payments remains approximately 6.2 percent, with settlement times frequently exceeding one business day, particularly for emerging-market corridors.⁶³

The structure of the UAE remittance market differs from many developed economies. Licensed exchange houses play an outsized role alongside banks, particularly in high-volume corridors to South Asia, Southeast Asia, and parts of Africa. These corridors account for a significant share of outbound payment volume and are characterized by high transaction frequency, relatively low average ticket sizes, and strong sensitivity to cost, speed, and reliability. As a result, payment efficiency and operational resilience are treated as economic and social priorities rather than purely commercial considerations.

⁶² https://ae.visamiddleeast.com/en_AE/about-visa/newsroom/press-releases/prl-10092025.html

⁶³ https://remittanceprices.worldbank.org/sites/default/files/rpw_main_report_and_annex_q424_13.pdf

What is changing in the UAE payments landscape is a strong push toward digitalization and modernized settlement infrastructure.

These developments are part of a broader digitization agenda, including the launch of the Digital Dirham as legal tender and the build-out of real-time payment systems. Digital payments adoption in the UAE already runs ahead of many peers, with over 71 percent of e-commerce transactions conducted using cards or mobile wallets, reflecting a broader shift toward cashless behavior across both consumer and business payments.⁶⁴ This shift is supported by new digital payments platforms from banks and fintechs, including smartphone-based QR code payments and soft-POS solutions that enable merchants to accept digital payments without traditional hardware.

Payments and Remittances Initiatives

Name	Key Partners	Description	Blockchain / Platform	Status (Launch / Phase / Date)
Crypto.com Global Retail Hub ⁶⁵	Dubai Finance (DOF), DMCC, Standard Chartered	Enables Dubai government fee payments via the Crypto.com payment app	Cronos (crypto.com chain)	Govt. Payments MoU May 2025
Revolut UAE ⁶⁶	N/A	Utilizes its global crypto-rail backend to offer near-instant, low-cost remittances for UAE expats	Revolut Internal Ledger (Bridged to global crypto rails)	Licensing Approval (In-Principle SVF & Retail Payment Sept 2025)
Fuze ⁶⁷	Wio Bank, CBI, Mastercard	Provides "Digital Assets-as-a-Service" infrastructure for banks to embed stablecoin payouts. Enables UAE SMEs to pay global suppliers instantly via background AED-to-stablecoin conversion.	Fuze Infrastructure (Chain agnostic aggregator)	Live / Licensed (Secured Retail Payment License April 2025)
Ripple Payments Direct ⁶⁸	Al Fardan Exchange, Trangolo	Enterprise payment solution allowing PSPs like Al Fardan to pre-fund accounts in real-time using XRP or RLUSD, eliminating the need for locked capital in foreign nostro accounts.	XRP Ledger (XRPL)	Licensed / Expanding (DFSA In-Principle Oct 2024; RLUSD rollout 2025)
CBUAE Retail Digital Dirham ⁶⁹	R3, G42 Cloud, Magnati	The domestic retail CBDC pilot. Onboards PSPs to distribute Digital Dirham wallets for instant, fee-free P2P transfers for residents via participating apps.	R3 Corda	Live Pilot / Phase 1 (First Phase "Free for Users" launched Dec 2025)

⁶⁴ <https://www.thunes.com/insights/trends/powering-payments-in-the-middle-east-the-uaes-influence/>

⁶⁵ <https://mediaoffice.ae/en/news/2025/may/12-05/dubai-finance-signs-mou-with-cryptocom>

⁶⁶ https://www.revolut.com/news/revolut_secures_in_principle_approval_for_uae_payments_licence_accelerating_expansion_plans_in_the_region/

⁶⁷ <https://fintechnews.ae/25822/abudhabi/fuze-uae-payment-services-license/>

⁶⁸ <https://www.difc.com/whats-on/news/ripple-secures-dfsa-licence-to-offer-regulated-crypto-payments-from-difc>

⁶⁹ <https://gulfnews.com/business/banking/first-phase-of-uae-digital-dirham-to-be-free-for-users-1.500377614>

Cross-Border Blockchain Foreign Exchange & Settlement

Cross-border foreign exchange and settlement are core to the UAE's role as a regional financial hub. The UAE is a regional center for institutional FX and settlement, with annualized OTC foreign exchange turnover exceeding \$15 trillion, according to BIS data.⁷⁰ These activities involve complex operational, liquidity, and risk considerations, particularly across trade and capital corridors linking Asia, the Middle East, and Africa.

In practice, cross-border settlement in the UAE continues to rely on established infrastructure, including correspondent banking relationships, RTGS systems, and SWIFT messaging.

These arrangements are well understood and tightly supervised, but for certain corridors they involve multiple intermediaries, prefunding requirements, and settlement timelines that extend beyond same-day processing. Blockchain-based approaches are therefore being explored as additional settlement rails, particularly where atomic settlement or delivery-versus-payment mechanisms could reduce operational friction or settlement risk.

The UAE has also been involved in a number of central bank-led initiatives focused on cross-border settlement. These initiatives are aimed at institutional use cases and remain limited in scope, with activity concentrated in controlled pilot or early production environments.

Participation in programs such as mBridge reflects interest in the use of wholesale central bank digital currencies for interbank settlement and FX transactions conducted under full monetary and regulatory oversight.

⁷⁰ https://www.bis.org/statistics/rpfx22_fx.pdf

Outside of central bank programs, blockchain-enabled cross-border settlement activity in the UAE is progressing in wholesale and institutional settings.

This includes the use of tokenized deposits or wholesale stablecoin structures for internal treasury movements and interbank settlement, trade finance-related settlement in sectors such as commodities and logistics, and delivery-versus-payment settlement for tokenized securities involving cross-border counterparties. Frequently this is being implemented through permissioned or consortium-based platforms involving licensed financial institutions.

While blockchain infrastructure can alter how settlement is executed, it does not change underlying FX market dynamics. FX pricing, liquidity provision, and risk management continue to sit within traditional market structures and existing prudential frameworks. Cross-border settlement initiatives therefore operate within a defined regulatory perimeter, including oversight by the Central Bank of the UAE, AML and sanctions compliance requirements, and applicable data governance obligations. Adoption to date reflects this environment, with most activity remaining at pilot or early production scale.

Cross-Border Blockchain FX & Settlement Initiatives

Name	Key Partners	Description	Blockchain / Platform	Status (with Date)
mBridge Project ⁷¹	CBUAE, BIS, Bank of China, Central Bank of UAE	A multi-CBDC platform allowing commercial banks to settle without correspondent banks	mBridge Ledger (Custom DLT by BIS)	MVP Phase (First Govt Transaction Nov 2025; MVP launch June 2024)
Kinexys (formerly Onyx) ⁷²	First Abu Dhabi Bank (FAB), Emirates NBD, Commercial Bank of Dubai	UAE banks use Kinexys for programmable payments and streamlined cross-border payment flows	Kinexys	Active / Scaling
Open Stable Network (OSN) ⁷³	Blockchain Center Abu Dhabi (ADBC)	An institutional FX infrastructure using stablecoin rails	Blockchain / Stablecoin agnostic	Partnership Signed (announced Dec 2025)

⁷¹ <https://www.ledgerinsights.com/uae-officially-launches-mbridge-cbdc-platform-with-payment-to-china/>

⁷² <https://www.jpmorgan.com/payments/newsroom/kinexys-blockchain-mena-region>

⁷³ <https://www.osnetwork.com/newsroom-abu>

Supply Chain Traceability & Trade Finance

The country's >\$1T foreign trade economy relies heavily on frictionless trade flows. Through blockchain platforms, firms aim to replace paper-heavy letters of credit (LCs), bills of lading, and manual FX settlements with instant, immutable, and programmable digital instruments. International trade finance still depends heavily on physical documents and manual reconciliation, particularly for instruments such as letters of credit, bills of lading, and supporting trade documentation. A single shipment can involve dozens of documents issued by multiple parties, including exporters, shipping lines, inspection agencies, banks, and customs authorities. According to UAE Central Bank data reported in trade finance guides, letters of credit facilitated over 40% of the UAE's import-export transactions in 2024, highlighting how entrenched paper-based, bank-mediated instruments remain in cross-border trade finance despite digital alternatives emerging.⁷⁴

These processes create a few structural issues:

- **Liquidity lock-up:**
Delays in document verification slow payment, tying up working capital for exporters and importers. Physical document movement and manual verification can add days or weeks to settlement cycles, even when goods themselves move quickly.
- **Operational risk:**
Manual document checking is error-prone, leading to discrepancies, disputes, and payment delays. Paper documents can be altered, duplicated, or reused across financing arrangements.
- **Fragmented visibility and duplication:**
Each participant maintains its own records, making it difficult to establish a single, authoritative view of shipment status or document authenticity. Regulatory and AML checks are often repeated independently by multiple institutions, increasing cost and friction.

These inefficiencies are especially acute in high-volume re-export hubs, where rapid cargo turnover and multi-party coordination are critical.

⁷⁴ <https://www.kayrouzandassociates.com/insights/letters-of-credit-uae-cross-border-trade-guide>

Blockchain addresses these constraints by replacing document exchange and reconciliation with a shared, tamper-evident digital ledger that records trade instruments, shipment events, and ownership changes in real time. Such systems integrate banks, ports, customs authorities, and regulators, enabling automated compliance, onchain financing, and full audit trails from origin to destination. Authorized participants operate from a single source of truth, with immutable records of cargo movements, compliance milestones, and financial obligations. Final settlement can occur using regulated stablecoins or tokenized bank money, enabling near-instant value transfer once contractual and compliance conditions are satisfied.

As outlined earlier, the UAE's application of blockchain in trade, logistics, and supply chains has followed a clear progression. Initial activity, beginning around 2018, focused on validating blockchain's technical feasibility for provenance, data reconciliation, and multi-party coordination. Examples included ADNOC's joint pilot with IBM, announced in 2018,⁷⁵ which examined blockchain-based reconciliation of oil and gas production data across ADNOC's value chain, and DP World's participation in global consortia such as TradeLens.⁷⁶ These initiatives helped build institutional familiarity but remained largely proof-of-concept or limited pilots.

Current efforts are centered on production-grade deployment, exemplified in Dubai, where trade, logistics, and customs systems are already highly digitized and centrally coordinated. Initiatives emphasize embedding distributed-ledger functionality directly into operational platforms used by ports, customs authorities, banks, and logistics providers. DP World's CARGOES DataChain illustrates this approach, with blockchain operating as an integrated data layer within the broader CARGOES suite to support live document exchange, shipment visibility, and trusted data sharing across active trade corridors. The same design philosophy underpins Dubai Customs-led work to connect ports and banks through paperless trade corridors and to explore controlled integration of digital assets into import and export workflows.

⁷⁵ <https://www.worldoil.com/news/2018/12/10/adnoc-has-implemented-ibm-blockchain-technology-to-streamline-daily-transactions>

⁷⁶ <https://www.dpworld.com/en/news/dp-world-joins-with-tradelens-to-digitise-global-supply-chains>

Supply Chain Traceability & Trade Finance Initiatives

Name	Key Partners	Scope	Description	Blockchain / Platform	Status (Launch / Phase / Date)
TradeAssets Network ⁷⁷	DMCC TradeFlow	Trade Finance	UAE-based trade-finance marketplace digitizing LCs, invoices & POs using blockchain for inter-bank distribution	Undisclosed	Live 2018
DP World CARGOES DataChain	DP World, Dubai Customs, logistics partners	Logistics / Port Operations	Distributed-ledger component of DP World's CARGOES suite; digitalizes bills of lading and customs documentation for trade corridors	Permissioned DLT (platform undisclosed)	Operational / Live - Announced Sept 2022
Dubai Customs platform	DP World, Dubai Customs, local banks	Port-to-bank trade documentation and settlement	End-to-end digital trade-corridor connecting ports customs, and banks for paperless LCs and FX settlement	Hyperledger Fabric	Launched Jul 2024
Dubai Customs x Binance ⁷⁸	Dubai Customs, Binance	Import and Export operations	Integrating digital assets into commercial transactions to enhance transparency and reduce transaction time/cost	Undisclosed	Announced December 2025

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⁷⁷ <https://www.wam.ae/en/article/hszr8m5i-dmcc-tradeflow-tradeassets-mitigate-risk-online>

⁷⁸ <https://cointelegraph.com/news/dubai-customs-launches-blockchain-platform-amid-smart-city-effort>

⁷⁹ <https://www.dubaicustoms.gov.ae/en/mobile/Pages/newsdetails.aspx?itemid=2136>

OTHER USE CASES

Blockchain-Enabled AI

The UAE's AI and blockchain agendas are increasingly intertwined under the federal UAE Council for Artificial Intelligence and Blockchain, which coordinates cross-sector adoption strategies. Current activity is primarily policy- and infrastructure-focused, with limited production-level convergence between the two technologies.

G42, the Abu Dhabi-based AI, blockchain and cloud conglomerate chaired by the UAE's national security advisor, plays a central role in national-scale AI deployments across healthcare, government, and data infrastructure. While these initiatives are primarily framed around AI and cloud computing, they provide a foundation for exploring blockchain as a supporting layer for data integrity, auditability, and access control. More explicit AI-blockchain experimentation is emerging through enterprise and free zone initiatives, such as Project ATLAS, a 2025 collaboration between Gewan Holding and IOPn that positions blockchain as a governance and permissioning layer for sovereign digital infrastructure.⁸⁰ These would be best characterized as early and exploratory.

This convergence could occur in the coming years through agentic payments - autonomous transactions executed by AI agents rather than humans. This is enabled by protocols such as the x402 protocol, a standard developed by Coinbase that operationalizes the "HTTP 402 Payment Required" code to create a machine-readable "checkout" for the internet.⁸¹ Blockchain is the critical rail for this evolution because it provides AI agents with digital wallets and programmable stablecoins, allowing them to settle debts instantly and globally without the friction of traditional bank accounts. At present, these initiatives remain nascent and ongoing.

Gaming, Metaverse, and Interactive Entertainment

Gaming is one of the earliest application layers explored in blockchain. Tokenized assets, digital ownership, and open economic systems were tested in gaming environments well before similar concepts appeared in capital markets or enterprise systems. Despite this early experimentation, Web3 gaming has not yet achieved broad consumer adoption. Most blockchain native games continue to face challenges related to onboarding complexity, fragmented liquidity, and the sustainability of in-game economies.

Within the UAE, blockchain gaming should be understood as a sector that remains at a pre product market fit stage, but has also been one of the most active blockchain sectors for fundraising. Capital has primarily flowed into early-stage studios, platforms, and infrastructure rather than into scaled consumer products. Much of this activity is concentrated in Dubai, where gaming, Web3, and venture capital intersect.

Regardless, gaming and esports have been identified as priority sectors and web3 gaming could experience tailwinds owing to this. For example, the Dubai Program for Gaming 2033 has set a formal target to create 30,000 jobs in the gaming sector and contribute around \$1 billion to GDP by 2033, as part of its strategy to position Dubai among the top 10 global gaming hubs and diversify the national economy.⁸²

⁸⁰ <https://news.bitcoin.com/project-atlas-unveiled-uaes-bold-leap-into-decentralized-ai-and-blockchain/>

⁸¹ <https://www.coinbase.com/developer-platform/discover/launches/x402>

⁸² <https://dubaigaming.gov.ae/news/dubai-gaming-ecosystem-expands-rapidly-with-350-companies-and-1-billion-economic-target-under-dubai-program-for-gaming-2033>

Privacy-Enhancing Technologies and Zero-Knowledge Proofs

Privacy-enhancing technologies are gaining recognition as critical infrastructure for balancing transparency, compliance, and confidentiality, particularly in financial services and government systems. Zero-knowledge proofs (ZKPs) represent one class under exploration in the UAE, including within sovereign-backed initiatives such as ADI Chain, which is built on the zkSync technology stack.⁸³

The technology aligns with the country's existing digital identity infrastructure and its focus on data privacy. ZKPs allow one party to prove they possess certain information (e.g., age, income level, or creditworthiness) without revealing the underlying data. This is especially valuable in regulated environments where compliance and privacy must coexist. For example, a UAE resident could prove they meet income requirements for a loan without disclosing their exact salary, or verify their identity without exposing sensitive personal details.

It should be noted that the UAE does not permit the use of fully anonymous or privacy-obfuscating instruments for regulated payment or corporate activity, including cryptocurrencies or protocols designed to prevent transaction traceability or regulatory visibility. By contrast, privacy-enhancing technologies such as zero-knowledge proofs are viewed as enabling infrastructure when they are deployed to selectively disclose information, preserve auditability, and operate within compliance frameworks.

Digital Asset Treasury Companies

Digital Asset Treasury (DAT) companies represent institutional structures where treasuries allocate capital into tokenized assets, similar to MicroStrategy's Bitcoin balance-sheet model. This has been a topic of active exploration, but currently, no DATs are headquartered in the UAE or have launched on the Abu Dhabi Stock Exchange.

⁸³ <https://www.theblock.co/press-releases/381889/adi-chain-debuts-mainnet-and-adi-token-marking-menas-first-institutional-layer-2-network>

PART V

MARKET DEVELOPMENT & INSTITUTIONAL LANDSCAPE

The preceding sections established that the UAE's blockchain landscape is built on a unified regulatory and policy framework, where federal ambition and free-zone specialization work in tandem to attract investment, institutional participation, and technological development.

Part V examines how capital, infrastructure, and institutional presence now align to form a cohesive national ecosystem. Where the earlier chapters outlined why the UAE pursued blockchain leadership and how innovation has already materialized, this section turns to how that leadership is now organized institutionally and financially across the federation's principal centers.

This section dissects that system across its functional layers:

01 **The Capital Stack:**

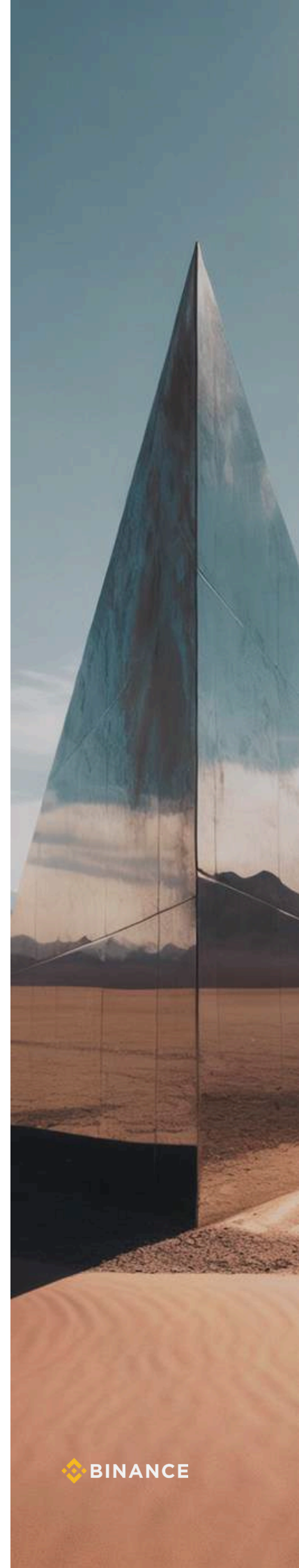
Maps the flow and typology of venture and institutional capital active in the UAE's Web3 economy.

02 **Infrastructure and Enablement Layer:**

Examines the regulatory zones, accelerators, and centers of excellence that form the ecosystem's operational backbone.

03 **The Social Layer:**

Events and Conferences - explores the convening layer that reinforces the UAE's position as a global node for blockchain dialogue.





The Capital Stack: Sovereign, Domestic VC, and Global VC

The UAE's blockchain economy is built on a layered capital system that integrates state-backed finance, private venture investment, and international participation. This structure forms the financial core of the country's Web3 ecosystem.

The following sections map this architecture in detail, beginning with sovereign and quasi-sovereign capital, moving through the venture layer, and concluding with private and family investment.

Sovereign and Quasi-Sovereign Capital

Collectively controlling more than USD 2.5 trillion in assets, these entities underpin the credibility, liquidity, and strategic direction of the country's digital asset ecosystem.

Sovereign and quasi-sovereign funds constitute the institutional core of the UAE's economy. Their involvement transforms blockchain from a venture-risk category into a component of national industrial policy.

Unlike Singapore or Norway, which use one centralized sovereign vehicle (Temasek/GIC or NBIM), the UAE developed a multi-fund, multi-vehicle model, spanning both sovereign funds and sovereign-adjacent entities. This design reflects the country's political structure and strategic diversification over time.

Each fund emerged in response to a distinct stage of the UAE's modernization.

Era	Fund Created	Purpose
1970s	ADIA	Manage oil surpluses prudently and globally
1990s	IHC	Consolidate domestic commercial assets in agribusiness, fisheries, and construction
2000s	Mubadala, ICD, Dubai Holding	Drive industrial diversification and manage strategic state-owned assets across Abu Dhabi and Dubai
2010s	ADQ	Consolidate domestic enterprises and utilities
Late 2010s - 2020s	Lunate, MGX, G42, Dubai Future District Fund (DFDF), L'IMAD	Build alternative asset, AI, and sovereign technology capacity through offshoots and new models

Abu Dhabi created complementary funds with differentiated roles and risk horizons. These entities not only provide depth and stability to the market but also anchor UAE-based venture managers such as Further Ventures⁸⁴ and DisruptAD,⁸⁵ which operate with sovereign-linked mandates.

Through entities like MGX, an ADGM-based joint initiative between Mubadala and G42,⁸⁶ sovereign capital also acts as a signaling mechanism, drawing both domestic and international co-investors into the region's blockchain ecosystem.

⁸⁴ <https://fintechnews.ae/13349/abudhabi/abu-dhabis-adq-launches-us200m-fund-for-early-stage-startups/>

⁸⁵ <https://www.adq.ae/newsroom/adq-consolidates-its-venture-capital-efforts-under-disruptad-platform/>

⁸⁶ <https://www.mediaoffice.abudhabi/en/technology/abu-dhabi-launches-comprehensive-global-investment-strategy-on-artificial-intelligence/>

Strategic Themes

Across sovereign and quasi-sovereign funds, three patterns emerge:

01 Institutionalization of blockchain finance

Initiatives and investments by sovereign funds channel public capital into regulated Web3 ventures and custody infrastructure, legitimizing the asset class. Their presence signals compliance-grade oversight and attracts global investors to ADGM and VARA-licensed vehicles.

02 Vertical integration with national innovation policy

Entities such as MGX and IHC bridge sovereign finance with frontier technology, combining blockchain with AI and data-economy initiatives. The resulting convergence supports tokenized capital markets, digital-identity projects, and stablecoin experimentation aligned with the dirham framework.

03 Crowding-in of private and foreign capital

Sovereign participation acts as a catalytic signal for domestic VCs and international funds. Programs like Hub71+ Digital Assets and Further Ventures translate state capital into early-stage deal flow, ensuring a continuous pipeline from startup to institutional scale.

Investment Scale and Modality

Sovereign allocations are large, deliberate, and structurally tiered. Direct sovereign checks generally exceed USD 50 million, reflecting mandates to back late-stage infrastructure, institutional platforms, or strategic equity in global exchanges and tokenization ventures. Examples include MGX's USD 2 billion co-investment in Binance and Mubadala's USD 437 million position in the iShares Bitcoin ETF.⁸⁷

For allocations below USD 50 million, sovereigns typically act indirectly - either as limited partners in external venture funds, through sovereign-linked vehicles such as Further Ventures, DisruptAD, and Lunate's private-markets program, or via state-funded incubators like Hub71+ Digital Assets. Sovereign entities have made select direct smaller-scale investments in strategic or pilot-stage ventures as an exception.

This tiered model ensures that sovereign exposure to early-stage innovation is mediated through specialized fund managers and regulatory sandboxes, while allowing limited flexibility for direct intervention where strategic value outweighs scale thresholds.

⁸⁷ <https://www.ledgerinsights.com/mubadala-sovereign-wealth-fund-invests-437m-in-bitcoin-theres-more/>

Sovereign Wealth Funds in the UAE

Entity	Emirate	Est. Assets ⁸⁸ (USD)	Description / Focus	Disclosed Crypto / Digital Asset Activity
Abu Dhabi Investment Authority (ADIA)	Abu Dhabi	~\$1.1 T	Long-term global (ex-UAE) investments across public, private, and real assets	None disclosed
Investment Corporation of Dubai (ICD)	Dubai	~\$400B	Government holding company for Dubai's strategic sectors	None disclosed
International Holding Co. (IHC)	Abu Dhabi	~\$400B	Diversified, public conglomerate and quasi-sovereign co-investor	AED Stablecoin (2025)
Mubadala Investment Co. (including Abu Dhabi Investment Council / ADIC)	Abu Dhabi	~\$330B	Multi-sector growth investor	IBIT ETF (BTC) holding; directly invested in MidChains in 2020 (ADGM-based exchange); backs Hub7 1+ Digital Assets (Web3 accelerator) ⁸⁹
L'IMAD Holding (including Abu Dhabi Developmental Holding Company / ADQ)	Abu Dhabi	~\$250B	Critical infrastructure, industrials, supply chain and others, with the objective to create a diversified asset base	AED Stablecoin (2025)
Emirates Investment Authority (EIA)	Federal	~\$100B	Federal fund for telecom and strategic national assets	None disclosed
Dubai Holding	Dubai	~\$100B	Real estate, telecom, media and innovation	None disclosed

⁸⁸ <https://www.swfinstitute.org/profiles/sovereign-wealth-fund/middle-east>

⁸⁹ <https://www.wam.ae/en/article/hszrd5c8-midchains-virtual-trading-platform-completes>

Sovereign Offshoots and Public-Private Investment Platforms

Between the UAE's sovereign funds and its private venture ecosystem lies a dense layer of sovereign offshoots and public-private investment vehicles.

These entities were introduced in the past decade to solve a fundamental structural and temporal mismatch: sovereign funds are designed for scale, risk moderation, and long horizons, while emerging-technology markets demand speed, specialization, and iterative capital deployment.

Structurally, these entities occupy the middle band of the investment stack, below the sovereign balance sheets of ADIA, Mubadala, and L'IMAD, but above accelerators and private venture funds. They serve as capital conduits and capability multipliers, ensuring that the UAE's vast institutional finance can flow efficiently into next-generation industries like blockchain, AI, and tokenized infrastructure.



Select Public-Private and Sovereign-Linked Investment Platforms

Entity	Parent / Linkage	Mandate / Focus	Structure / Type	Est. Capital Scale (USD)	Blockchain / Digital Asset Relevance
Lunate	Backed by L'IMAD, Mubadala, and IHC	Global alternative-asset manager across private markets, credit, and funds-of-funds.	Sovereign-backed asset manager	~\$110B	Partnered with Brevan Howard on a USD 2 B macro + digital assets platform (2025); ⁹⁰ LP in Brevan Howard Digital (ADGM).
G42	Private tech group aligned with Abu Dhabi; strategic partner of Mubadala	AI, data infrastructure, and deep-tech investment.	Technology holding / operator-investor	Undisclosed	Joint owner of MGX; technology backbone for blockchain tokenization and data infrastructure.
MGX	JV between Mubadala and G42	Investment vehicle for AI and digital-infrastructure assets	Thematic investment platform	Target ~\$100B	Acquired USD 2B Binance stake (2025); active in AI-blockchain convergence.
Dubai Future District Fund (DFDF)	Government of Dubai / DIFC / Dubai Future Foundation	Venture fund focused on future economy, fintech, and AI	Public VC fund (50% government, 50% private)	~\$275M ⁹¹	Invests in Web3 and digital-infrastructure startups; positioned as Dubai's flagship public venture fund.
Further Ventures	Aligned with Abu Dhabi	Fintech, Web3, infrastructure startups (seed to Series A)	Venture capital fund	\$200M	Main Abu Dhabi sovereign-linked crypto VC
DisruptAD	Backed by ADQ	General innovation and early-stage ventures	Venture platform / incubator	Undisclosed	MidChains investment (2020); none disclosed since then

⁹⁰ <https://lunate.com/en/news-insights/announcements/brevan-howard-and-lunate-announce-long-term-strategic-partnership>

⁹¹ <https://www.dubaifuture.ae/dubai-future-district-fund>

Blockchain Venture Capital

While sovereign and quasi-sovereign funds define the UAE's capital base, a growing set of >100 domestic and international blockchain venture investors operating in the UAE now anchors the country's early-stage innovation markets. These firms operate independently of sovereign balance sheets but within the same policy and regulatory environment, forming the execution layer through which startup capital, regulatory clarity, and entrepreneurial activity converge.

Market Structure

Venture activity in blockchain and digital assets is concentrated across ADGM, DIFC, and DMCC, whose regulatory frameworks provide investor protection, cross-border capital mobility, and clear licensing for digital asset investment vehicles. This architecture has enabled a more predictable environment for funds to operate with institutional partners while accessing founder pipelines across MENA, South Asia, and Europe. Broadly, they can be classified as follows:

- Independent UAE managers such as Cypher Capital, Morningstar Ventures, and Ghaf Capital
- Sovereign-linked vehicles like DFDF, Further Ventures, and DisruptAD, which extend capital into smaller, higher-risk innovation segments
- International funds including Galaxy Digital, Laser Digital, and Yzi Labs, which co-invest through UAE structures or maintain regional offices in Dubai and Abu Dhabi

Altogether these form a single venture ecosystem that blends domestic origination with global capital and syndication networks. The UAE has rapidly become a hub for cross-border syndication, where local and international investors participate in shared deals using UAE-based legal structures.



Key characteristics of the UAE venture ecosystem include the following:

Global VCs using ADGM/DIFC vehicles

International firms increasingly join Series A/B deals through ADGM SPVs or DIFC-regulated funds that allow token exposure, hybrid instruments, and structured virtual-asset custody.

Transnational deal flow linking Asia, Europe, and the Gulf

The UAE functions as a corridor connecting Asian developer ecosystems, European venture funds, and Middle Eastern capital pools. This mix frequently appears in cap tables for tokenization platforms, L1 ecosystems, and DeFi infrastructure backed out of Abu Dhabi and Dubai.

Founder migration pulling syndicates into the UAE

As founders relocate to the UAE for regulatory clarity and a progressive regime, global VCs follow them. UAE-domiciled entities increasingly act as the “home” entity for cap tables even when teams or markets originated elsewhere.

These dynamics position the UAE as a neutral syndication hub, where regulatory credibility enables globally sourced capital and talent to structure and execute investments locally.

2024 - 2025 Investment Trends

Against this structural backdrop, recent investment activity offers insight into how venture funds are allocating capital in practice. Analysis of >200 verified investments across >40 UAE-based venture funds reveals a number of trends for 2024 and 2025.⁹²

To provide appropriate context, this analysis is intended as a representative snapshot of venture activity rather than a comprehensive census of all crypto and blockchain funding in the UAE. It focuses specifically on venture funds that are explicitly headquartered in the UAE or have established the country as a primary operating hub, and that have executed at least one blockchain-related venture investment during 2024 or 2025.

These funds are listed in the Appendix of this report. Individual angel investors and hedge funds pursuing primarily liquid trading strategies have been excluded from the analysis.

⁹² Information was pulled from various sources, including CryptoRank, DropsTab, Crypto-Fundraising.info, Coincarp, Coingape, ICODrops, Crunchbase, and The Blockchain Center Abu Dhabi

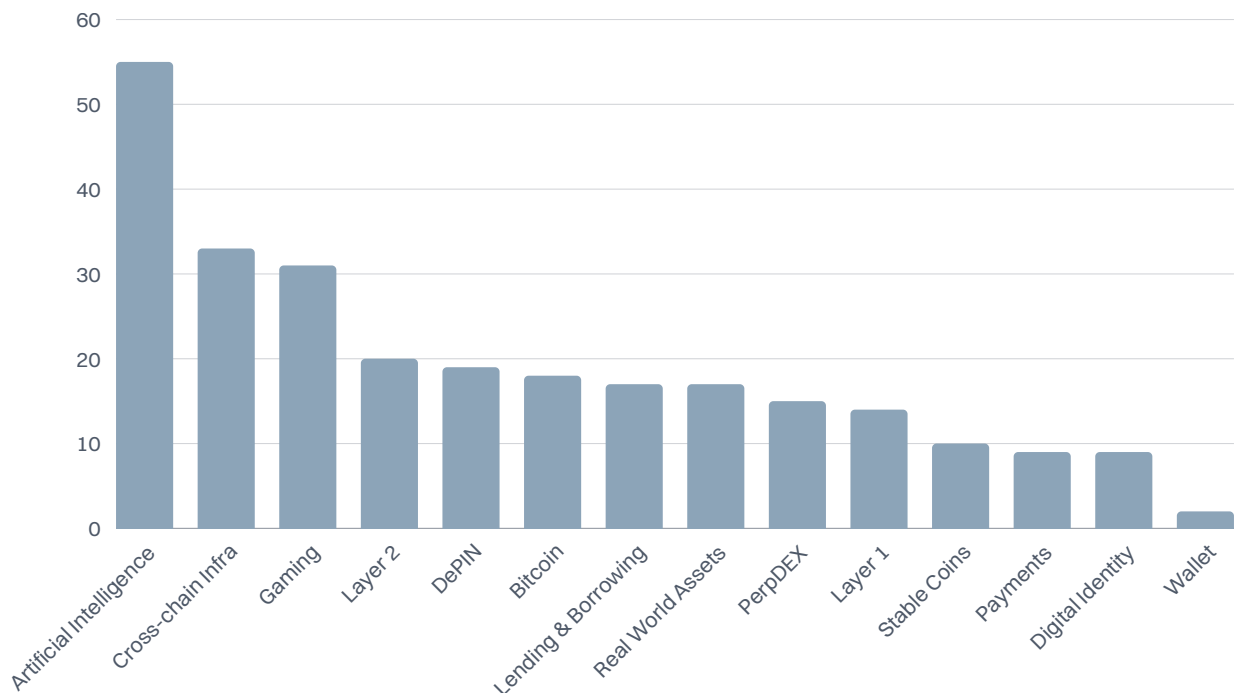


Sector Focus

Sector allocation during 2024-2025 reflects not only global venture cycles, but also alignment with UAE regulatory readiness and institutional demand. Investment patterns across 2024-2025 show that AI and Gaming were two dominant verticals for UAE-based venture capital, together accounting for the largest share of deal activity.

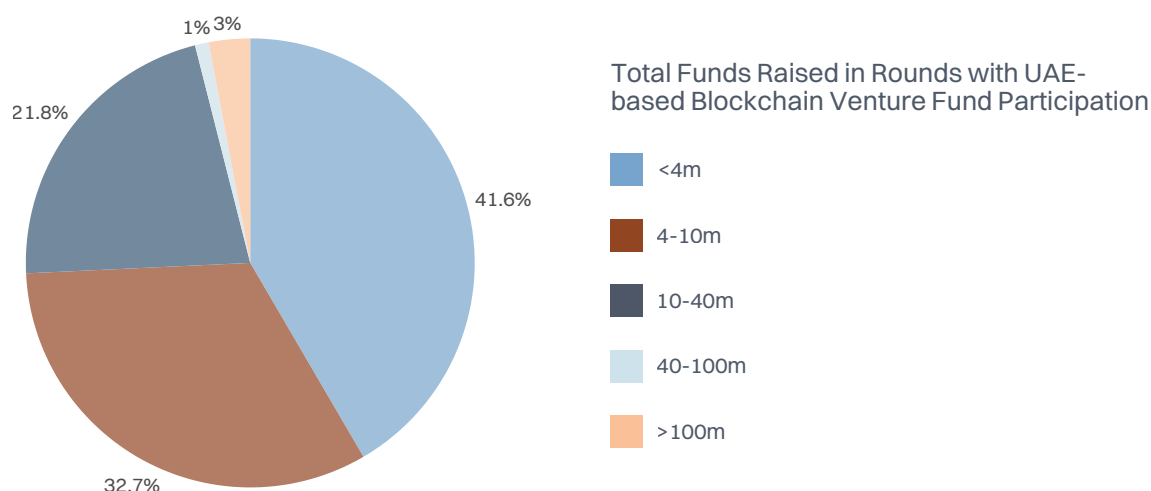
The relative allocation of capital has shifted meaningfully over the last two years. As a percentage of total deals, there has been a decline in Layer-2 and Bitcoin ecosystem investments in 2025 vs. 2023-2024. Correspondingly, there is a measurable increase in investment across AI, Payments/ Stablecoins, Real-World Asset tokenization (RWA), PerpDEX infrastructure, and Decentralized Physical Infrastructure Networks (DePIN). These categories map closely to where enterprise adoption is accelerating globally and where UAE sovereign and quasi-sovereign stakeholders show clear interest. Payment infrastructure and stablecoin rails, in particular, benefit from alignment with CBUAE frameworks and the region's broader ambition to modernize cross-border settlement. Overall, the data shows a market transitioning from speculative infrastructure bets toward application layers that connect to real-world demand, enterprise adoption, and sovereign digital strategy.

Categorization of Select Investments Made by UAE-Based Venture Funds



Distribution of Round Sizes

Analysis of round sizes involving UAE-based venture funds shows a pronounced early-stage concentration relative to global VC norms.



- 75% of rounds are in the <\$10 million bracket, aligning with early-stage focus and the region's large pre-seed and seed pipeline.
- 22% fall in the \$10-40 million range, indicating that UAE VCs regularly participate in mid-stage Series A/B raises, frequently alongside global co-investors.
- Rounds over \$40 million (4%) remain uncommon but became more visible in 2025 through several high-profile, UAE-linked transactions.

Notably, 2025 has seen several large-scale capital deployments involving UAE-linked investors that sit outside conventional venture patterns, suggesting a growing regional comfort with writing large checks into crypto-native companies and infrastructure. Transactions in 2025 such as Binance's multi-billion-dollar partnership with MGX, Flying Tulip's raise supported by DWF,⁹³ Vy Capital's continued allocation into TON,⁹⁴ and Aqua1's participation in WLF,⁹⁵ collectively point to increasing confidence in scaling Web3 infrastructure and tokenized networks.

⁹³ <https://ventureburn.com/flying-tulip-200m-seed-funding/>

⁹⁴ <https://blog.ton.org/ton-foundation-400m-in-toncoin-investment>

⁹⁵ <https://www.reuters.com/press-releases/aqua-1-announces-100m-strategic-world-liberty-financial-governance-token-purchase-to-help-shape-and-accelerate-decentralized-finance-adoption-2025-06-26/>

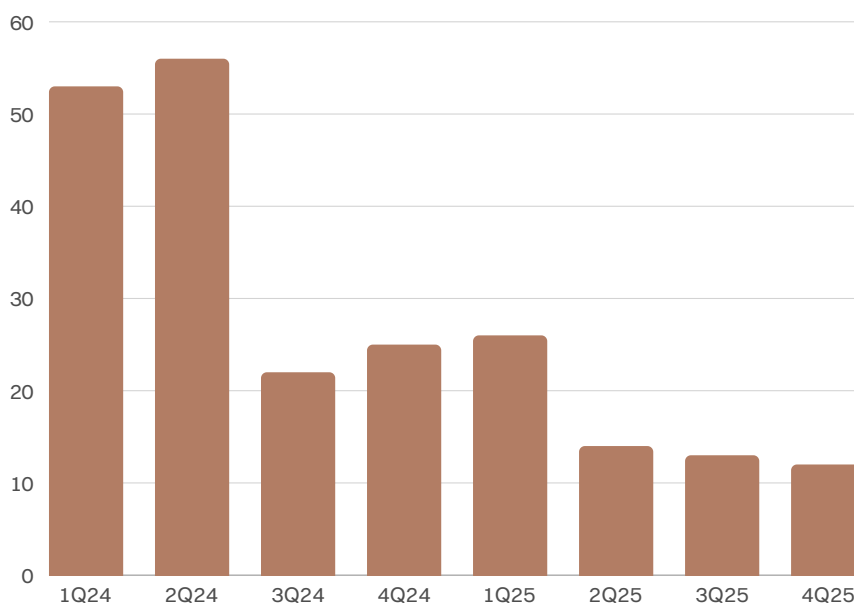
Quarterly Deal Activity

Quarterly deal activity has slowed markedly since the first half of 2024. The data shows a sharp decline from 50-55 deals per quarter in 1Q24 - 2Q24 to approximately 20-25 deals by late 2024 and early 2025, and then into the low-teens by mid-2025.

The brief uptick observed in 1Q25 coincided with a broader global rebound following crypto-friendly regulatory developments in major markets, renewed clarity around digital asset classifications, and a resurgence in token markets. This short-lived acceleration reflected an improvement in global sentiment and a temporary broadening of investor risk appetite. However, activity tapered again through 2Q25 - 4Q25, mirroring a global cooldown in blockchain venture.

These patterns indicate that while the UAE remains an active hub for early-stage Web3 and AI-infused digital asset ventures, the period of peak deal velocity seen in early 2024 has passed. Current activity reflects fewer transactions, larger average checks in select sectors, and a greater focus on institutional-grade infrastructure. We attribute this more to the overall crypto cycle than to UAE-specific conditions. This shift is consistent with a maturing ecosystem, a late-cycle Bitcoin environment and a late-cycle venture environment, where capital increasingly concentrates around higher conviction, consensus-driven opportunities.

Quarterly Deal Count of Select
UAE-based Venture Investments



Role of Family Offices

The UAE hosts one of the largest and most concentrated family office ecosystems globally, making private family capital a structurally important force in the country's venture, blockchain, and digital asset markets moving forward. According to Campden Wealth and HSBC Global Private Banking, more than half of all MENA family offices are estimated to be based in the UAE, despite the country representing a significantly smaller share of regional GDP.⁹⁶

In terms of scale, survey data indicates that the average MENA family office manages approximately USD 0.9 billion in assets under management, excluding operating businesses, while average total family wealth exceeds USD 1 billion, reflecting the continued importance of large family-owned enterprises. Based on disclosed allocations, approximately 30% of total MENA family office AUM is held in Dubai, with additional assets spread across Abu Dhabi and major global financial centers such as Geneva, London, New York, and Zurich.

Despite their scale, family offices have approached blockchain and digital assets cautiously and incrementally. HSBC data shows that cryptocurrency and digital assets currently account for <1% of the average strategic portfolio among MENA family offices. However, the same data records a +20% net intended change, placing crypto among the asset classes with the strongest positive directional momentum.

⁹⁶ <https://www.privatebanking.hsbc.com/family-office-uhnw/the-mena-family-office-landscape-report-2024/>

Complementary findings from BlackRock's 2025 global family office survey reinforce this interpretation. While crypto is not among the primary asset classes where family offices are most actively reallocating capital, approximately 14% of respondents globally report increasing exposure.⁹⁷ This positions crypto as a peripheral but rising allocation, distinct from core portfolio restructuring.

Overall, the data indicates that UAE and MENA family offices are increasingly opening allocation pathways.

In practice, this has translated primarily into indirect exposure through LP commitments to local (e.g., VentureSouq, Cypher Capital, Shorooq Partners) and international venture funds. This is supplemented by selective co-investments in private blockchain and digital asset initiatives, such as MBS Investments's \$8.8bn collaboration with the Maldives government to set up a blockchain-powered financial free zone in the Maldives, announced May 2025.⁹⁸

In summary, family offices will function as an important signaling layer within the UAE's digital asset ecosystem: cautious in portfolio construction, but increasingly willing to underwrite experimentation and venture-scale exposure as regulatory clarity and institutional infrastructure mature.

⁹⁷ <https://www.blackrock.com/institutions/en-global/institutional-insights/thought-leadership/global-family-office-survey>

⁹⁸ <https://www.mbs.investments/press-release>

Infrastructure and Enablement Layer

Capital availability alone does not explain the UAE's development as a global blockchain hub. A defining factor is the breadth and coordination of its infrastructure and enablement layer, which includes accelerators, incubators, banking partnerships, education providers, and physical innovation hubs. These elements translate capital and policy into operational capacity. This layer serves as the operational foundation of the UAE's blockchain ecosystem, and we lay out some of the key players across Abu Dhabi, Dubai and Ras Al Khaimah.

Incubators and Accelerators

Abu Dhabi: Hub71 + Digital Assets

Hub71 is Abu Dhabi's flagship technology ecosystem and startup accelerator, established to support high-growth companies aligned with the emirate's economic diversification and innovation agenda. Operating within ADGM, Hub71 focuses on three core verticals: Digital Assets and blockchain, financial services and fintech, and enterprise technology with a growing emphasis on artificial intelligence.

Hub71 launched its Digital Assets specialist ecosystem in February 2023. Through its Company Building Program, run in collaboration with Elixir Capital, startups are eligible to receive up to 750,000 dirhams in combined cash and in-kind support.⁹⁹ Participating startups also gain access to a broad partnership network spanning government entities, corporate innovation programs, and investor relationships.

⁹⁹ <https://www.hub71.com/latest-news/press-release/hub71-revamps-incentive-program-and-offers-up-to-aed-750,000-to-further-solidify-its-commitment-to-startup-growth-from-abu-dhabi>

By the Numbers

The program can be tracked through published cohort data, with 2024-2025 shown below. Historically, 5-10 blockchain startups have been selected in each cohort.

Hub71 Cohort Progression (2024-2025)¹⁰⁰

Cohort	Total Startups	Prior Funding Raised	Average Prior Funding	Digital Assets Cohort	Application Volume
14	25	\$122M	\$5.0M	9 startups	1,200+
15	21	\$134.9M	\$6.4M	5 startups	1228
16	27	\$145M	\$4.9M	5 startups	1,300+
17	26	\$223M	\$8.6M	8 startups	2,000+

Cohort 17, announced in September 2025, represented the largest funding cohort measured by prior capital raised: 26 startups with 223 million dollars in collective prior funding, averaging 8.6 million dollars per company, with the vast majority (~80%) focused on AI applications.

Dubai: DMCC Crypto Centre

The DMCC Crypto Centre provides dedicated licensing, infrastructure, and a ecosystem platform for blockchain companies operating across the entire spectrum of use cases. As of 2025, the DMCC Crypto Centre hosts more than 650 blockchain and crypto companies, making it one of the largest concentrations of digital asset firms in the Middle East.¹⁰¹ The Centre aggregates global accelerator programs, venture capital access, service providers, and industry partnerships under a single regulatory and commercial framework. Instead of building in-house cohort programs, the Crypto Centre partners with established international Web3 accelerators and ecosystem operators.

Within this framework, DMCC has progressively formalized partnerships with a number of global accelerator programs since 2022. These partnerships represent the principal mechanism through which early-stage blockchain and crypto companies receive structured acceleration within the DMCC ecosystem. Below outlines the evolution of these accelerator partnerships.

¹⁰⁰ Sourced and derived from Hub71 press releases and its cohort lists (<https://www.hub71.com/startups>)

¹⁰¹ <https://dmcc.ae/ecosystems/crypto-and-blockchain>

In October 2022, DMCC partnered with Brinc, a global venture capital firm and portfolio company of Animoca Brands, to provide Crypto Centre members access to Brinc's 150 million dollar accelerator fund.¹⁰² Brinc established a physical office in DMCC and committed to offering business mentoring services alongside capital access. The partnership focuses on Web3, blockchain, DeFi, and GameFi startups, operating specialized programs including ZK Advancer on behalf of Animoca Brands targeting zero-knowledge proof technologies.

In February 2023, DMCC formalized a second major accelerator partnership through the launch of the TDeFi and DMCC Accelerator Programme.¹⁰³ TDeFi, a Web3 incubator and advisory platform that emerged during the 2020-2021 DeFi cycle, brought a token-native acceleration model to DMCC and has >50 companies in its portfolio.

During 2023 and 2024, DMCC further broadened its accelerator footprint through the inclusion of CV Labs, a Switzerland-based Web3 accelerator with origins in one of Europe's earliest institutional blockchain jurisdictions.¹⁰⁴ In parallel, DMCC incorporated the Cointelegraph Accelerator into its ecosystem of partner programmes, utilizing Cointelegraph's global media reach and industry relationships.¹⁰⁵

Today, the DMCC Crypto Centre remains one of the main destinations for founders looking to establish in the UAE and receive structured support owing to its well-established ecosystem and multitude of partnerships.

Ras Al Khaimah: RAKIC Builder's Oasis

In February 2025, RAKIC launched its inaugural accelerator program, "Builder's Oasis," with a \$2 million funding pool.¹⁰⁶ The program targets Web3 startups in gaming, AI, and blockchain infrastructure sectors, representing RAKIC's shift from purely regulatory positioning to active ecosystem development through capital and mentorship.

The accelerator operates in partnership with XDC Network, a blockchain platform focused on real-world applications in trade finance and tokenization. Selected startups receive \$100,000 in funding from XDC alongside guidance from RAKIC's network of ecosystem partners.

¹⁰² <https://www.investing.com/news/cryptocurrency-news/dmcc-joins-brinc-members-can-access-150m-accelerator-fund-2909785>

¹⁰³ <https://dmcc.ae/latest-news/dmcc-crypto-centre-and-tdefi-launch-accelerator-programme-support-growth-web3-and-blockchain-businesses-dubai>

¹⁰⁴ <https://dmcc.ae/latest-news/dmcc-and-cv-vc-join-forces-to-drive-regional-web3-ecosystem-growth>

¹⁰⁵ <https://dmcc.ae/latest-news/cointelegraph-launches-middle-east-headquarters-at-the-dmcc-crypto-centre>

¹⁰⁶ <https://www.entrepreneur.com/en-ae/technology/uaes-rak-dao-launches-usd2-million-builders-oasis/486672>

Centers of Excellence

Beyond accelerators and commercial infrastructure, the UAE has established dedicated centers of excellence focused on blockchain education, research, and ecosystem development across Abu Dhabi and Dubai.

Dubai Blockchain Center (DBCC)

The Dubai Blockchain Center, inaugurated in May 2018 by His Highness Sheikh Mohammed bin Rashid Al Maktoum under the Area 2071 initiative, operates as a strategic partner to Dubai Future Foundation.¹⁰⁷ Led by CEO Dr. Marwan Alzarouni, who also serves as CEO of AI for Dubai Department of Economy and Tourism, the center has established itself as an integral part of Dubai's blockchain ecosystem.

Co-founded by Dr. Alzarouni and Matthies Mende (Founder and CEO of Bonuz), DBCC provides a fertile ground for blockchain companies and projects through comprehensive support services. The center regularly hosts blockchain startups within Area 2071 and conducts educational classes and seminars focused on blockchain use cases in government and private sectors.

DBCC operates a freemium educational model where foundational classes are offered free to the public, while advanced certification programs require payment. The center also provides consultancy services, offering professional guidance to government departments and private entities exploring blockchain integration.

Dr. Alzarouni maintains active involvement in regional blockchain development, serving as a judge for the Middle East Blockchain Awards and participating as a speaker at major industry conferences. His dual role overseeing AI initiatives for Dubai's Department of Economy and Tourism alongside DBCC leadership reflects the emirate's integrated approach to emerging technology development.

The Blockchain Center Abu Dhabi (ADBC)

The Blockchain Center Abu Dhabi officially launched in August 2024 under the leadership of CEO Abdulla Al Dhaheri. It is positioned around the practical adoption of real-world blockchain use cases at the intersection of distributed ledger technology, traditional financial infrastructure, and emerging AI systems. Rather than operating as a conventional incubator or research body, the center functions as a coordination node within Abu Dhabi's blockchain ecosystem, linking government and sovereign-backed initiatives with private-sector operators, regulated financial institutions, and technology providers. ADBC's mandate is oriented toward institutional implementation. This is reflected in the way the center structures its activities across four core pillars:

¹⁰⁷ <https://www.weforum.org/people/marwan-al-zarouni/>

01 Regulatory and Policy Engagement

ADBC works with local and federal authorities to support the development of blockchain-related policy frameworks, facilitate industry participation in regulatory processes, and promote compliant adoption of digital asset technologies within Abu Dhabi and the wider UAE. This includes collaboration with UAE federal authorities, formalized through a memorandum of understanding signed with the Capital Market Authority in June 2025. The partnership focuses on advancing digital asset regulation, supporting token registration mechanisms, attracting and onboarding virtual asset service providers, and developing compliance infrastructure aligned with UAE market requirements.

02 Innovation and Use-Case Development

ADBC collaborates with public and private entities on applied blockchain initiatives, with a particular focus on payments infrastructure, stablecoins, tokenization of real-world assets, and enterprise-grade ledger applications that can operate within regulated environments. This pillar includes the center's involvement with the Open Stable Network (December 2025) and Al Maryah Community Bank/AE Coin (October 2025), designed to support the development and deployment of regulated stablecoin and settlement use cases.

03 Strategy and Advisory

ADBC supports blockchain and digital asset companies on product design, regulatory positioning, and go-to-market strategy, particularly for firms seeking to deploy solutions in institutional or government-adjacent contexts.

04 Ecosystem Development

ADBC partners with industry stakeholders to host conferences, roundtables, and working sessions in Abu Dhabi, using events as a mechanism to align the various stakeholders and spotlight Abu Dhabi as a global blockchain hub.

The Blockchain Center Abu Dhabi's positioning emphasizes real-world adoption and enterprise solutions, aiming to bridge the gap between decentralized technologies and institutional implementation. This focus complements Abu Dhabi's broader strategy of combining regulatory sophistication with practical blockchain deployment across government and commercial sectors.

Blockchain Hubs

The UAE has attracted a growing number of blockchain hubs established by protocol foundations, ecosystem partners, and enterprise-focused networks. These hubs serve a range of functions, including developer support, ecosystem funding, enterprise adoption, education, and regional coordination. Below is the list of the key hubs in the UAE. Launch dates and locations reflect initial public announcements of UAE-based hubs or foundations.

List of Blockchain Hubs¹⁰⁸

Name	Launch Date	Location	Type
Hedera (HBAR) Hub	Jul 2023	Ras Al Khaimah (RAK DAO)	Grants Partner (Startups & Ecosystem Funding)
Solana Centre (Superteam)	Oct 2023	Dubai (DMCC Crypto Centre)	Ecosystem Partner (Grants & Support)
IOTA Ecosystem DLT Foundation	Nov 2023	Abu Dhabi (ADGM)	Foundation HQ (Regulatory Pioneer)
SuiHub Dubai	Oct 2024	Dubai (Expo City)	Dedicated Protocol Hub (Developers)
Cardano Hub (in partnership with DBCC)	May 2024	Dubai (Emirates Towers)	Education Hub (Masterclasses & Enterprise)
Ripple Innovation Hub	Aug 2024	Dubai (DIFC Innovation Hub)	Enterprise Partner (Finance/XRPL Adoption)
TON DLT Foundation	Dec 2024	Abu Dhabi (ADGM)	DLT Foundation (MENA/APAC Development)

In addition to the hubs listed above, a broader set of blockchain protocols maintain an active regional presence in the UAE without operating a dedicated hub. Protocols with sustained visibility in this category include Ethereum and BNB Chain.

¹⁰⁸ Sourced from public announcements and press releases, supplemented by coverage in regional and industry media

The Social Layer: Events and Conferences

Conferences, summits, and large-scale industry gatherings play a material role in the UAE's blockchain economy. Unlike jurisdictions where blockchain events operate independently of policy or market structure, the UAE's major conferences are closely linked to its regulatory and institutional environment. Many are hosted in partnership with government-linked entities, free zones, or financial centers such as ADGM, DIFC, Dubai World Trade Centre, and ADNEC. This structure allows international participants to engage directly with regulators, domestic investors, and ecosystem operators within a single setting.

The frequency and concentration of events are also notable. Dubai and Abu Dhabi have developed into predictable annual meeting points for the global blockchain industry, particularly during April-May and October-December. Over the past several years, there has been sustained growth in both the number of blockchain-related conferences hosted in the UAE and their international visibility. While Dubai remains the primary venue, Abu Dhabi and Ras Al Khaimah have increased their event activity in line with their broader roles in institutional finance and Web3 governance respectively. This year, the UAE has hosted a plethora of blockchain conferences with attendance in the several-thousand range, alongside a smaller number of flagship events that draw global participation at scale.

TOKEN2049 Dubai, which attracted approximately 15,000 attendees in 2025,¹⁰⁹ and Bitcoin MENA, which exceeded 12,000 participants in 2025, anchor the upper end of this spectrum.¹¹⁰ In aggregate, these events place the UAE among the most active blockchain events jurisdictions globally.

¹⁰⁹ <https://www.token2049.com/dubai/reports/2025-report>

¹¹⁰ <https://news.bitcoin.com/the-most-influential-voices-in-the-mena-region-to-address-the-12000-attendee-bitcoin-mena-event-this-december/>

A consistent feature of large UAE-hosted conferences is their international audience. Flagship events report that the majority of attendees travel from outside the country (e.g., >80% international attendees for Token2049), underscoring the role of the UAE as an inbound meeting point.

The UAE's position is also reflected in global scheduling dynamics. TOKEN2049's dual-hub model, with Singapore in September and Dubai in April or May, places the UAE alongside a small number of locations that function as fixed, recurring convergence points for the global blockchain industry. Most other jurisdictions host large conferences but lack a comparable anchor with predictable annual timing and sustained international draw.

The table below summarizes the principal blockchain and digital asset conferences that have established a recurring presence in the UAE. It records the year of first appearance, host city, typical timing, and thematic focus of each event. Collectively, these conferences illustrate how the UAE has become embedded in the global blockchain events calendar.

Key UAE Conferences and Events by Emirate¹¹¹

Earliest Documented UAE Edition	Event / Series	City	Typical Quarter	Description
2018	Future Blockchain Summit	Dubai	Q4	Long-running blockchain conference hosted by Dubai World Trade Centre, focused on enterprise, government, and emerging technology use cases.
2021	AIBC Eurasia (SiGMA)	Dubai	Q1 - Q2	Multi-track conference covering blockchain, crypto, AI, and emerging technologies.
2021	Crypto Expo Dubai	Dubai	Q2	Expo-style crypto and blockchain event oriented toward trading platforms and Web3 projects.
2022	WOW Summit / World of Web3 Week	Dubai	Q1	Web3-centric conference series focused on NFTs, metaverse, gaming, and creator economies.
2022	Blockchain Life	Dubai	Q4	International blockchain and crypto forum with strong representation from infrastructure and mining sectors.
2022	Abu Dhabi Finance Week (ADFW)	Abu Dhabi	Q4	Flagship annual finance conference hosted by ADGM, with growing blockchain, tokenization, and digital asset representation.

¹¹¹ Sourced from public announcements and press releases, supplemented by coverage in regional and industry media

Earliest Documented UAE Edition	Event / Series	City	Typical Quarter	Description
2023	Satoshi Roundtable (Dubai Edition)	Dubai	Q1	High-level, invitation-only Bitcoin and digital asset roundtable focused on policy, institutional adoption, and market structure.
2023	World Blockchain Summit (rebranded as HODL Summit)	Dubai	Q2	Global blockchain conference series that expanded to Dubai and later rebranded as HODL Summit.
2023	Dubai FinTech Summit	Dubai	Q4	DIFC's flagship finance conference, first launched in 2023. While not crypto-native, it has increasingly incorporated digital assets, tokenization, and Web3 discussions.
2024	TOKEN2049 Dubai	Dubai	Q2	Major global crypto conference, first hosted in Dubai in 2024, now an anchor event with extensive side programming.
2024	Binance Blockchain Week	Dubai	Q4	Exchange-led global conference series focused on ecosystem development and regulation.
2024	Bitcoin MENA	Abu Dhabi	Q4	Bitcoin-focused regional conference hosted in Abu Dhabi.
2024	RAK DAO Conference	Ras Al Khaimah	Q2	Conference organized by RAK Digital Assets Oasis, focused on DAOs, governance, and Web3 company formation. Was not held in 2025.
2024	Verified Summit	Dubai	Q2	Enterprise Web3 and digital asset summit focused on compliance, tokenization, and institutional adoption.
2025	Unchained Summit	Dubai	Q2	Curated Web3 networking and dealflow summit.
2025	Global Blockchain Show	Abu Dhabi	Q4	Large-scale blockchain and Web3 conference expanding into Abu Dhabi.
2025	Tokenized Capital Summit	Dubai / Abu Dhabi	Q2 / Q4	Conference focused specifically on publicly listed digital asset treasury companies (i.e., firms holding digital assets on their balance sheets/treasury strategy).
2025	Digital Asset Treasuries Summit (DAT Summit)	Abu Dhabi	Q4	Institutional conference focused on tokenization and real-world assets, with multiple UAE editions annually.
2026 (announced)	Dubai Future Finance Week	Dubai	Q2	DIFC-led convening week positioned as an umbrella platform for future-of-finance dialogue, anchored by the Dubai FinTech Summit and institutional forums covering fintech, digital assets, tokenization, and financial regulation.

THE ERA OF INFRASTRUCTURE UTILITY

By now, the narrative surrounding the UAE blockchain ecosystem has shifted meaningfully. The question is no longer whether blockchain activity will take root in the UAE, but how it is being integrated into the broader economic and institutional framework.

CONCLUSION

The information presented in this report indicates a transition from regulatory signaling and experimental pilots toward infrastructure development and market implementation. Four structural characteristics have emerged that help explain this shift and distinguish the UAE's approach from that of other global jurisdictions.

First, the alignment between capital and regulation has reduced uncertainty for market participants.

Unlike jurisdictions where regulatory clarity exists without committed capital, or where capital has preceded durable regulation, the UAE has developed a reinforcing relationship between the two. As outlined in Part V, sovereign and quasi-sovereign entities such as L'IMAD, Mubadala, and IHC play an active role in anchoring ecosystem development, while federal regulators including the CMA and CBUAE provide clear supervisory boundaries. This alignment does not eliminate risk, but it materially lowers perceived regime uncertainty and has supported longer-term investment and operational commitments.

Second, regulatory coordination and harmonization have become defining features of the ecosystem's maturation.

While the UAE continues to operate through a multi-layered regulatory structure spanning federal authorities, emirate-level regulators, and financial free zones, recent developments show a clear shift toward alignment in standards, supervision, and market expectations. Greater consistency has emerged around licensing approaches, compliance requirements, and oversight of virtual asset and blockchain-related activities, reducing ambiguity for firms operating across jurisdictions.

Third, activity has increasingly shifted toward industrial and infrastructural use cases.

The integration of blockchain into platforms such as UAE Pass for digital identity, DP World for logistics, and Dubai Customs for supply chain applications reflects a view of blockchain as enabling infrastructure rather than speculative technology. In financial services, initiatives such as the Digital Dirham pilot and regulated dirham-backed stablecoins signal an effort to modernize payment and settlement rails in support of a more digitized economy. These developments remain uneven, but they indicate a clear prioritization of utility over experimentation.

Fourth, capital, talent, and market attention are increasingly concentrating in the UAE.

Private venture funds, family offices, and global investment firms have expanded their presence in the region, alongside an influx of founders and senior operators establishing long-term bases in the country. This shift is reinforced by the growing role of the UAE as a convening point for both blockchain-native and traditional financial and technology forums, where digital assets and distributed systems are now embedded as core topics rather than peripheral themes.

CONCLUSION

The primary challenge for the ecosystem moving forward is one of coordination rather than direction. As regulatory zones and market segments mature, the risk of fragmentation increases. Ensuring that assets, liquidity, and participants can operate across zones without unnecessary friction will be critical to sustaining momentum. Interoperability and passporting mechanisms across the mainland and free zones are likely to shape the next phase of development.

In summation, the UAE has positioned itself as a comprehensive environment for regulated blockchain deployment, combining regulatory clarity, institutional participation, diversified capital, and growing market gravity. For many institutional and enterprise use cases, the ecosystem has moved beyond early experimentation into initial production. The UAE experience illustrates how blockchain technologies can be incorporated into a high-volume, compliance-intensive economy through deliberate sequencing and infrastructure-led implementation.



Appendix

VARA- and DFSA-Licensed Virtual Asset Service Providers

Name	Regulator	License	Category
Gap 3 Partners FZCO	VARA ¹¹²	VL/25/04/004	Advisor
Nine Blocks Capital Management FZE	VARA	VL/23/09/003	Asset Manager
Web3 Innovations FZE (AYA)	VARA	VL/23/12/001	Asset Manager
Atremo Digital FZE	VARA	VL/25/04/005	Broker-Dealer
BitGo MENA FZE	VARA	VL/23/09/001	Broker-Dealer
BitOasis Technologies FZE	VARA	VL/2024/11/001	Broker-Dealer
Bitpanda Broker MENA DMCC	VARA	VL/25/03/001	Broker-Dealer
CoinMENA FZE	VARA	VL/23/09/001	Broker-Dealer
DKK Digital FZE	VARA	VL/25/04/002	Broker-Dealer, Advisory
Fasset FZE	VARA	VL/23/07/002	Broker-Dealer
GC Exchange FZE (GCEX)	VARA	VL/23/09/002	Broker-Dealer
HT Markets MENA FZE	VARA	VL/23/08/003	Broker-Dealer, Asset Mgr.
MidChains FZE	VARA	VL/25/04/008	Broker-Dealer
MKX Virtual Assets Broker & Dealer Services LLC	VARA	VL/25/04/001	Broker-Dealer
Morpheus Software Technology FZE (Fuze)	VARA	VL/23/10/002	Broker-Dealer
Prypco FZE	VARA	VL/25/05/001	Broker-Dealer
Selini Capital FZE	VARA	VL/25/05/002	Broker-Dealer
Varni Labs FZE (Roma)	VARA	VL/23/10/001	Broker-Dealer
Laser Digital Middle East FZE	VARA	VL/23/06/001	Broker-Dealer, Asset Manager
Aquanow ME FZE	VARA	VL/24/01/001	Broker-Dealer, Asset Manager, Lending
BitGo Custody MENA FZE	VARA	VL/25/04/006	Custodian

¹¹² <https://www.vara.ae/en/licenses-and-register/public-register/>

Appendix

Name	Regulator	License	Category
Bitpanda Custody MENA	VARA	VL/25/04/006	Custodian
Ceffu Custody FZE	VARA	VL/25/10/001	Custodian
Hex Trust MENA FZE	VARA	VL/23/08/002	Custodian
Komainu MEA FZE	VARA	VL/23/08/001	Custodian
Zand Bank PJSC	VARA	VL/2024/12/001	Custodian
Deribit FZE	VARA	VL/23/12/002	Derivatives Exchange
Gate Technology FZE	VARA	VL/25/04/007	Exchange (CEX)
LCT Global FZE	VARA	VL/25/12/001	Exchange (CEX)
Trek Labs Ltd FZE (Backpack)	VARA	VL/23/07/001	Exchange (CEX)
HashKey MENA FZE	VARA	VL/25/03/002	Exchange, Broker-Dealer
MEX Digital FZE	VARA	VL/24/06/001	Exchange, Broker-Dealer
Scintilla Network FZE	VARA	VL/23/07/003	Exchange, Broker-Dealer
Mantra Finance FZE	VARA	VL/25/02/001	Exchange, Broker-Dealer, Asset Manager
OFZA Fintech Virtual Asset Exchange Services LLC	VARA	VL/24/12/002	Exchange, Broker-Dealer, Asset Manager
Binance FZE	VARA	VL/24/04/001	Exchange, Broker-Dealer, Asset Manager, Lending
Foris DAX Middle East FZE (Crypto.com)	VARA	VL/23/10/003	Exchange, Broker-Dealer, Asset Manager, Lending
OKX Middle East Fintech FZE	VARA	VL/23/12/003	Exchange, Broker-Dealer, Asset Manager, Lending
Ctrl Alt Solutions DMCC	VARA	VL/25/05/002	Issuance, Broker-Dealer
Tokinvest DMCC	VARA	VL/2024/12/004	Issuance, Broker-Dealer
Nova Digital	VARA	VL/26/01/001	Asset Manager

Appendix

Name	Regulator	License	Category
Julius Baer (Middle East) Limited	DFSA ¹¹³	F000001	Arranging Deals in Investments; Arranging Custody
Standard Chartered Bank	DFSA	F000003	Arranging Custody; Providing Custody
IG Limited	DFSA	F001780	Arranging Deals in Investments; Dealing in Investments as Principal
Vy Capital Management Company Limited	DFSA	F002384	Managing Assets
Index & Cie Limited	DFSA	F002641	Advising on Financial Products; Arranging Deals in Investments; Arranging Custody; Managing Assets
Pepperstone Financial Services (DIFC) Limited	DFSA	F004356	Arranging Deals in Investments
EGS Capital Limited	DFSA	F006943	Advising on Financial Products; Arranging Deals in Investments; Arranging Custody; Dealing in Investments as Agent; Dealing in Investments as Principal; Managing Assets; Providing Custody
InvestSky Financial Limited	DFSA	F007447	Arranging Deals in Investments
Menhir Capital Management Limited	DFSA	F007477	Advising on Financial Products; Managing Assets
Qube Research and Technologies DIFC Limited	DFSA	F007772	Advising on Financial Products; Arranging Deals in Investments; Managing Assets
Ripple Middle East Limited	DFSA	F008529	Arranging Deals in Investments; Providing Custody
Bank Frick AG (DIFC Branch)	DFSA	F012196	Arranging Deals in Investments; Arranging Custody

¹¹³ Firms were identified from the DFSA Public Register (dfsa.ae/public-register/firms) and searching for the keyword "Crypto Token" within the authorized financial services sections of each firm's license (e.g., "Arranging Deals in Investments", "Managing Assets", "Providing Custody")

Appendix

FSRA- and CMA-Licensed Virtual Asset Service Providers

Name	Regulator	Primary Activity	Description
Aspen Digital Financial Limited	ADGM FSRA ¹¹⁴	Asset Management	Digital asset investment and portfolio management firm.
Primrose Capital Management (Middle East) Limited	ADGM FSRA	Asset Management	Alternative asset manager with digital asset strategies.
XBTO Middle East Limited	ADGM FSRA	Asset Management and Liquidity Provision	Digital asset investment and market-making firm.
Changer.ae Limited	ADGM FSRA	Institutional Brokerage	Digital asset brokerage and trading platform.
eToro (ME) Ltd	ADGM FSRA	Institutional Brokerage	Multi-asset trading platform including crypto.
Nest Trading Limited (Binance)	ADGM FSRA	Institutional Brokerage	Binance broker-dealer entity for off-exchange and principal trading.
Triton Limited	ADGM FSRA	Institutional Brokerage	Institutional brokerage and trading firm.
Zodia Markets (AME) Limited	ADGM FSRA	Institutional Brokerage	Institutional crypto brokerage platform backed by Standard Chartered.
Hidden Road Partners CIV (Middle East) Limited	ADGM FSRA	Institutional Brokerage	Institutional prime brokerage and clearing services.
Key Way Markets Ltd	ADGM FSRA	Institutional Brokerage	Institutional trading and brokerage firm.
Nest Clearing and Custody Limited (Binance)	ADGM FSRA	Clearing and Custody	Binance post-trade clearing and custody entity licensed in ADGM.
Ousoul Assets Custodian and Trading Facilities Limited	ADGM FSRA	Custody	Institutional custody and trading support services.
Tungsten Custody Solutions Ltd	ADGM FSRA	Custody	Institutional digital asset custody provider.
Paxos International	ADGM FSRA	Fiat-Referenced Token Issuance	ADGM FSRA-licensed issuer of the USDL fiat-referenced token.
Universal Digital INTL Limited	ADGM FSRA	Fiat-Referenced Token Issuance	ADGM FSRA-licensed issuer of the USDU fiat-referenced token.
Paxos Middle East Ltd	ADGM FSRA	Infrastructure and Token Services	Regulated provider of token lifecycle infrastructure and custody services.

¹¹⁴ <https://www.adgm.com/public-registers/fsra/firms>; Listed are Firms within Asset Class "Virtual Assets" or "Issuing a Fiat - Referenced Token" as a Regulated Activity

Appendix

Name	Regulator	Primary Activity	Description
QCP Trading Middle East Limited	ADGM FSRA	Market Making and Proprietary Trading	Institutional trading and liquidity provision firm.
Klickl International Limited	ADGM FSRA	Asset Management	Crypto-fiat payments and brokerage platform.
Circle Internet MEA Ltd	ADGM FSRA	Asset Management and Liquidity Provision	Licensed entity supporting stablecoin-related payments, settlement, and treasury operations.
Laser Digital (AD) Limited	ADGM FSRA	Institutional Brokerage	Digital asset trading and investment arm affiliated with Nomura.
BurjX MENA Ltd.	ADGM FSRA	Institutional Brokerage	Digital asset trading platform.
Payward MENA Holdings Limited	ADGM FSRA	Institutional Brokerage	Kraken regional exchange and custody entity.
Rain Trading Limited	ADGM FSRA	Institutional Brokerage	Regulated digital asset exchange.
Matrix Limited	ADGM FSRA	Institutional Brokerage	ADGM-regulated digital asset derivatives trading venue.
Nest Exchange Limited (Binance)	ADGM FSRA	Institutional Brokerage	Binance ADGM-regulated trading venue.
Bybit	CMA	Trading Venue (Centralized Exchange)	First CMA-licensed virtual asset exchange operating on the UAE mainland.

Regulatory Element	VARA (Dubai)	ADGM	CMA (Federal)	DIFC
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JURISDICTIONAL SCOPE AND REGULATORY FRAMEWORK

Geographic Coverage	Dubai mainland + all Dubai free zones (except DIFC)	Al Maryah Island + Al Reem Island only (free zone)	Nationwide federal authority across all seven (7) UAE emirates, with coordination framework for Dubai	Dubai International Financial Centre (free zone)
Target Market Access	Dubai residents + international clients	Primarily institutional and international clients, with limited access to UAE mainland markets and retail clients.	All UAE emirates with Dubai coordination; international clients	Primarily institutional/international clients, with limited access to UAE mainland.

CAPITAL REQUIREMENTS (MINIMUM PAID-UP CAPITAL)

Advisory Services	AED 100,000 (~\$27,200)	Category 3A base capital: USD 500,000 (~AED 1.8M)	N/A	Category 4 base Capital Requirement: AED 110,174 (\$30,000)
Exchange	<p>AED 800,000 (~\$217,800) or 15% of Fixed Annual Overheads (FAO), whichever is higher [if using a VARA-licensed custodian].</p> <hr/> <p>AED 1,500,000 (~\$408,400) or 25% of FAO, whichever is higher [in all other instances].</p>	Regulatory capital equivalent to 6 - 12 months' operational expense. Higher capital additive may be required for self-custody.	AED 1 million in addition to the equivalent of operating expenses for a period of six (6) months. The base capital requirement increases to AED 5 million if the entity is also applying for the license for broker and custody.	Regulatory capital equal to 6 months' gross operating costs, or such other amount as may be specified by the DFSA.
Broker-Dealer	<p>AED 400,000 (~\$108,900) or 15% of FAO, whichever is higher [if using a VARA-licensed custodian]</p> <hr/> <p>AED 600,000 (~\$163,350) or 25% of FAO, whichever is higher [in all other instances]</p>	<p>Category 3A base capital: USD 500,000 (~AED 1,836,250)</p> <p>Higher capital additive may be required for self-custody.</p>	AED 2 million	Based on the category of the activity the base capital requirement can range from USD 30,000 - 2,000,000 (~AED 110175 - 7345000)

Appendix

Regulatory Element	VARA (Dubai)	ADGM	SCA (Federal)	DIFC
Custody Services	AED 600,000 (~\$163,350) or 25% of FAO, whichever is higher	Category 3C base capital: USD 250,000 (~ AED 918,000), with risk-based adjustments.	AED 4 million, in addition to the equivalent of operating expenses for 6 months.	Based on the type of asset custody provided for, the base capital requirement can range from USD 500,000 - 1,000,000 (~ AED 1,836,250 - 3,672,500)
Portfolio Management	AED 280,000 (~\$76,000) or 15% of FAO, whichever is higher [if using a VARA-licensed custodian] AED 500,000 (~\$136,000) or 25% of FAO, whichever is higher [in all other instances]	Category 3A base capital: USD 500,000 (~ AED 1,836,250) with additional requirements for asset management.	AED 3,000,000 (~\$817,000)	Category 3C base capital requirement: USD 140,000 (AED 514,150)
Transfer & Settlement	AED 500,000 (~\$136,000) or 25% of FAO, whichever is higher	N/A	N/A	N/A
LICENSING FEES				
Initial Application Fee	Application fees vary by activity ranging from AED 40,000 - 100,000 (~\$10,800 - 27,200). Additional fees are applicable for each additional licensed activity.	USD 20,000-120,000 (~AED 73,000-440,700), depending upon the activity.	Application Fee: AED 5,000 - 10,000 (~\$1,300 - 2,700) License fee: AED 75,000 - 525,000 (~USD 20,400 - 143,000)	Application Fee ranging from AED 55,000- 560,000 (\$15,000-\$150,000)
Annual Supervision Fee	Per-activity fee structure ranging from AED 80,000 (~\$21,800) to AED 200,000 (~\$54,400)	USD 15,000-60,000 (~AED 55,000-220,350) depending on activities	N/A	Annual Fee ranging from USD 20,000-800,000 (~AED 92,000 - 2,938,000)
License Extension/Renewal Fee	50% of lower license application fee	Included in annual supervision fee	AED 55,000 - 275,000 (~USD 15,000 - 75,000)	N/A

Regulatory Element	VARA (Dubai)	ADGM	SCA (Federal)	DIFC
OPERATIONAL REQUIREMENTS				
Physical Office Requirement	Yes - Mandatory office space requirements. No minimum size from VARA; the relevant free zone authority or Department of Economic Department must be consulted for space requirements	Yes - Mandatory physical presence on Al Maryah/Al Reem Island. Proof of lease required	Yes - Physical presence required; specific office space requirements vary by emirate.	Yes, the DFSA requires all licensed firms to maintain a registered physical office within the DIFC.
CLIENT ASSET PROTECTION				
Segregation Requirements	100% client asset segregation mandatory, with daily reconciliation; one-to-one backing (Reserve Assets = Client Liabilities)	Strict segregation of client assets, enhanced custody rules, technological risk management focussed.	Client asset segregation required per CMA's Guidelines on Virtual Assets	DFSA requires firms to segregate client assets from their own, maintaining separate accounts and records to prevent co-mingling and ensure clients' assets are protected at all times.
Cold Storage Mandate	Majority of client assets must be in cold/offline storage	Cold storage requirements for custodians, with enhanced safeguarding obligations.	No explicit requirement under the regulation	DFSA does not mandate cold storage, but requires firms to implement robust custody, segregation, and control measures for client crypto assets.
Net Liquid Assets (NLA)	NLA must be greater than or equal to 1.2 times the monthly operating expenses, with daily reconciliation and monthly reporting to VARA	MTF = 6-12 months operating expenses; Others activity-based	6 months operating capital for custodian and exchanges	The higher of the: (i) Base Capital Requirement; or (ii) Expenditure Based Capital Minimum
TWO-STAGE LICENSING PROCESS				
Stage 1	Initial Disclosure Questionnaire (IDQ) + 50% fee → Approval to Incorporate (ATI)	Engagement/IPA pre-conditions → In-Principle Approval	Application for Initial Approval → NOC to add licensed activity to trade license.	Application for Initial Approval → NOC to add licensed activity to trade license
Stage 2	Full application + remaining 50% fee → VASP License	Meet all IPA conditions → Financial Services Permission (FSP)	Full license application → License granted	Full license application, complete incorporation → License granted

Regulatory Element	VARA (Dubai)	ADGM	SCA (Federal)	DIFC
APPROVED ASSETS & RESTRICTIONS				
Approved Cryptocurrency List	No published restrictive list; appears permissive for major cryptocurrencies	"Accepted Virtual Assets" self-assessment framework requires firms to demonstrate that the assets meet FSRA's criteria (maturity, security, traceability, DLT type, innovation, functionality). There is no	No published restrictive list, the SCA approves the virtual assets to be listed on a case-by-case.	No longer maintains a list and requires each entity to assess the crypto token they use meets the DFSA's suitability criteria.
Explicitly Prohibited Assets	Privacy tokens & algorithmic stablecoins banned	Privacy tokens & algorithmic stablecoins explicitly prohibited (as per June 2025)	Privacy tokens & algorithmic stablecoins prohibited.	Privacy tokens, algorithmic tokens, and any unrecognized crypto
Stablecoin Regulations	CBUAE Payment Token Services Regulation applies to stablecoins that purport to maintain a stable value in relation to the value of AED, and to instances where stablecoins are used as a means of payment. Issuance of other fiat-referenced virtual assets is a licensed activity under VARA's regime.	Fiat-Referenced Tokens (FRT) framework (December 2024), under which they must be Accepted FRTs. FSRA approval required; 100%+ backing ratios	CBUAE Payment Token regulation governs activities related to stablecoins used for payment purposes.	DFSA regulates stablecoins as Fiat Crypto Tokens, requiring them to be formally recognized before use in any regulated activity.
Client Classification	Retail, Professional and Qualified Investor classifications	Retail and Institutional access permitted, with sophisticated investor requirements for certain products	Retail and Professional classifications.	Retail, Professional and Market Counterparties.
TAX TREATMENT				
Corporate Income Tax	0% on qualifying income for free zone entities meeting substance requirements; 9% corporate tax in all other cases	0% corporate tax on qualifying income for ADGM entities meeting substance requirements.	9% federal corporate tax applies to mainland UAE entities (with exemptions for qualifying FZs)	0% corporate tax on qualifying income for DIFC entities meeting substance requirements.
VAT on Crypto Transactions	0% VAT on crypto transfers, exchanges, conversions	0% VAT on virtual asset transactions	0% VAT on virtual asset activities	0% VAT on virtual asset activities
VAT on Services	5% VAT may apply to explicit service fees (advisory, management fees, custody fees if charged separately)	5% VAT on financial services where applicable	5% VAT on certain service components	5% VAT on financial services where applicable

Regulatory Element	VARA (Dubai)	ADGM	SCA (Federal)	DIFC
ONGOING COMPLIANCE & SUPERVISION				
Reporting Frequency	Monthly NLA reporting to VARA; Daily reconciliation of reserve assets; Transaction monitoring in real-time; Annual audit required	Regular reporting to FSRA, along with quarterly and annual, prudential reporting.	Ongoing compliance, quarterly and annual financial reporting to the CMA, and transaction reporting on a periodic basis.	Ongoing compliance, quarterly, half yearly and annual financial reporting to the DFSA.
AML/CFT Compliance	Full compliance with all federal AML-CFT laws, including customer due diligence, FATF Travel Rule, transaction monitoring obligations, and suspicious activity reporting	FSRA's AML Rulebook applies to virtual asset service providers in its entirety, along with all federal legislations with respect to AML.	Full compliance with all federal AML-CFT laws, including customer due diligence, FATF Travel Rule, transaction monitoring obligations, and suspicious activity reporting.	Full compliance with all federal AML-CFT laws, including customer due diligence, FATF Travel Rule, transaction monitoring obligations, and
Technology & Cybersecurity	Requirements under VARA's Technology & Information Rulebook, including cybersecurity governance, secure systems development, cryptographic keys and wallet management, incident response, business continuity and disaster recovery	FSRA's technology governance framework includes IT risk management, business continuity, disaster recovery, system resilience and independent security audits.	Technology governance policies required covering cybersecurity measures, secure key management, data protection and encryption, procedures for development of systems, and business continuity and planning.	Requires robust technology governance and cybersecurity controls to ensure data integrity, system resilience, and protection against cyber threats.
External Audit Requirements	Annual financial audit; Reserve Asset audits semi-annually minimum; Independent third-party verification of custody practices	Annual external audits of the core systems, and custodians are required to conduct annual safe custody	Annual third-party audits of the technical infrastructure and annual financial audits.	Independent external auditor to review financial statements and, where applicable, client assets and
MARKETING & CLIENT ACQUISITION				
Marketing Restrictions	Strict. As of October 2024, all marketing of VA activities, including provision of educational content targeting Dubai must be conducted by/on behalf of VARA-licensed VASP only.	Product marketing subject to FSRA approval; Risk disclosures mandatory; No misleading claims or representations in any marketing communications.	All marketing activities shall be conducted in accordance with regulations under the oversight of CMA, including compliance with all transparency and risk disclosure requirements.	Marketing allowed only by Authorized Firms and requiring all financial promotions to be clear, fair, not misleading, and compliant with DFSA's Conduct of Business (COB) rules.
Client Suitability Requirements	Mandatory risk disclosure, client classification (retail vs professional vs qualified), suitability assessments for complex products	Client suitability assessments are required for as per FSRA rules.	Material risk disclosure to clients before transactions, with continuous risk updates and suitability assessments for retail	Material risk disclosure to clients before transactions

Regulatory Element	VARA (Dubai)	ADGM	SCA (Federal)	DIFC
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REGULATORY COORDINATION

Multi-Regulator Coordination	Coordination with CMA wherein an entity holding VARA license receives registration from CMA for activities outside Dubai, but additional notification, compliance steps, or regulatory filings may still be required.	Independent from CMA/VARA framework, operates under ADGM laws. Not subject to federal virtual asset regulations.	Coordination with VARA for regulatory supervision in Dubai.	Independent from CMA/VARA framework, operates under DIFC laws. Not subject to federal virtual asset regulations
Stablecoin Multi-Approval Pathway	CBUAE approval required for all payment activities using stablecoins.	ADGM has a dedicated framework for FRTs, which is applicable.	CBUAE approval required for all payment activities using stablecoins.	DFSA allows regulated activity only in recognized cryptocurrencies.
Cross-Emirate Operations	VARA-licensed entities are recognized by the CMA by way of registration for activities outside Dubai, but additional notification, compliance steps, or regulatory filings may still be required.	ADGM operations primarily, with limited access to mainland UAE.	Federal authority permits undertaking virtual asset activities across emirates.	DIFC operations primarily, with limited access to mainland UAE.

Funds Included in Analysis

3rd Street Capital	Kira Studio
Ajna Capital	Lotus Capital
Andromeda Capital	M2 Capital
Aqua1 Foundation	Maven Capital
BreakOrbit	MGX
Cabrit Capital	Morningstar Ventures
Cequire Capital	NewTribe Capital
Core Vision	NxGen Capital
CoreNest Capital	Perridon Ventures
Crypto Oasis	PRIM3
Cypher Capital	Quantum Fintech Group
Dex Ventures	Sensei Capital
Dubai Future District Fund	Sheesha Finance
DWF Labs	Shorooq Partners
Further Ventures	Tane Labs
G42	The Open Platform (TOP)
Ghaf Capital Partners	Token Bay Capital
Global Ventures	VentureSouq
GravityX Capital	Vy Capital
Hashgraph Ventures	Woodstock Fund
IBC Ventures	XVC Tech
Iceberg Capital	Zen Capital
Illuminati Capital	ZeroStage
KBW Ventures	



Blockchain for the UAE and Beyond.



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