

Regulatory Alert

UAE Regulatory Alert: Operational Resilience, Regulatory Expectations and Remote Working Considerations

OVERVIEW

Following the recent regional disruption earlier this month, both the Financial Services Regulatory Authority (“FSRA”) in Abu Dhabi Global Market (“ADGM”) and the Dubai Financial Services Authority (“DFSA”) in the Dubai International Financial Centre (“DIFC”) issued operational communications to regulated firms.

The DFSA has subsequently issued a revised Business Continuity Measures Form and requires all firms to submit the updated version via the DFSA ePortal by Friday, 27 March 2026.

This alert summarizes the key regulatory communications, highlights the changes introduced in the revised DFSA questionnaire and outlines practical considerations for firms in maintaining compliance and operational resilience.

REGULATORY SUBMISSIONS AND CURRENT EXPECTATIONS

Abu Dhabi Global Market (ADGM) – FSRA

- The FSRA requested firms to submit a short operational status update to their usual supervisory contact using the prescribed template. The original deadlines were 16 and 23 March (for any updates).
- Firms that have not responded, or whose position has materially changed, should consider proactive engagement with their supervisory contact.

Dubai International Financial Centre (DIFC) – DFSA

- The DFSA initially required submission of a Business Continuity Measures Form by 13 March 2026. This has now been replaced with a revised questionnaire. The DFSA has confirmed that all firms must complete and submit the revised form via the DFSA ePortal by 27 March 2026, including firms that have already submitted the original form.
- The revised questionnaire introduces additional supervisory focus, including:
 - Location tracking for key roles (SEO, CO/MLRO, Finance Officer)
 - Headcount splits between client-facing and non-client-facing staff, inside and outside the UAE; and
 - Confirmation that remote working arrangements have been risk-assessed and are subject to appropriate monitoring and oversight.

This development indicates a shift from initial status assessment to more structured supervisory scrutiny, particularly in relation to governance, control effectiveness and business substance. Firms should ensure that all submitted information is accurate and that remote working arrangements, particularly for key roles, are formally assessed and documented.

OTHER RELEVANT DEVELOPMENTS

- DFSA AML and Glossary module updates came into force on 2 March 2026, with accompanying FAQs covering governance, risk assessment, outsourcing and internal audit expectations.
- The FSRA also issued an AML-focused survey to firms on 5 March 2026, seeking information on financial crime controls and operational resilience during the disruption period.
- The Federal Authority for Identity, Citizenship, Customs and Port Security (ICP) announced temporary relief from overstay fines for individuals affected by travel disruption.
- VARA has issued implementation notices on UAE Travel Rule and AML requirements for virtual asset service providers.
- SCA/CMA business continuity guidance remains relevant where remote working is activated, including expectations around notification, disclosure of remote arrangements and client communications.

KEY OPERATIONAL RESILIENCE CONSIDERATIONS

Firms should maintain a clear and current view of their operational resilience arrangements, including:

- **Operational status:** Whether the firm is operating on a BAU basis or under contingency arrangements, including any disruption to key services or dependencies.
- **Contingency arrangements:** Whether business continuity plans have been activated, the scope and duration of such measures, and the availability of appropriate coverage for critical roles.
- **Systems and controls:** Whether control frameworks remain effective, including approvals, segregation of duties, monitoring, record keeping and oversight of outsourced providers, particularly under remote working arrangements.
- **Client servicing:** Any impact on delivery service, communication or response times, and whether clients are appropriately informed.
- **Financial and regulatory position:** Any impact on capital, liquidity or reporting timelines, including whether regulatory notifications may be required.

REMOTE WORKING CONSIDERATIONS

The revised DFSA questionnaire places increased emphasis on the location, duration and oversight of remote working arrangements, particularly for key roles and client-facing teams. Firms should not assume that remote working is treated consistently across jurisdictions or roles. Key considerations include:

- Whether the role is subject to local presence or residency expectations;
- Whether management and control or substance requirements are impacted;
- Whether adequate supervisory coverage is maintained during UAE business hours;
- Whether secure access to systems, books and records and approval processes is maintained; and
- Whether overseas working introduces regulatory, tax, employment or data considerations.

CYBER AND INFORMATION SECURITY

- Periods of disruption are typically associated with increased cyber risk. Firms may wish to reinforce internal awareness and confirm that key controls, including secure access and authentication measures, remain effective.

INTERNAL ACTIONS

Firms may wish to consider the following immediate actions:

- Confirm submission of FSRA communications and the revised DFSA Business Continuity Measures Form;
- Review business continuity documentation, escalation protocols and key contacts;
- Assess staffing coverage for critical functions and ensure that client communication and internal awareness measures remain current.

HOW WE CAN HELP

We are supporting firms with:

- Enhancing business continuity and operational resilience frameworks;
- Reviewing regulatory submissions and supervisory correspondence;
- Assessing remote working arrangements for key personnel; and
- Testing the effectiveness of control environments under contingency conditions.

If you have questions or would like to discuss, please contact your Optima relationship Partner or info@optima-partners.com.