OPTIMA

CLIENT ALERT · UAE FINANCIAL SERVICES

Monthly Regulatory Update

October 2026

12	1	4	5
DEVELOPMENTS	NEED ACTION	ENFORCEMENT	AUTHORITIES

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COVERAGE AND METHODOLOGY

About this update

This update summarises material regulatory developments affecting financial services firms in the UAE in the period 1 to 31 October 2026. The review covers the Dubai Financial Services Authority, the Financial Services Regulatory Authority and Registration Authority of Abu Dhabi Global Market, the Central Bank of the UAE, the Capital Market Authority and, where relevant to the UAE, the Financial Action Task Force. It draws on each authority's news releases, alerts, consultations and rulebook revisions, and every item is referenced to the issuing authority's own publication. Developments published earlier are included where they took effect, or reached a response deadline, within the period. Market announcements, firm specific licensing news and promotional material are excluded.

Items are grouped by jurisdiction and, within each group, ordered by relevance to asset and fund managers, wealth managers and family offices, and to the administrators, custodians and depositaries that service them. Developments of wider market relevance are also reported, and the commentary states where an item has no direct impact on these firms. Public alerts are included to support operational checks and do not impose regulatory obligations. Applicability to a particular firm depends on its permissions, activities, client base and regulatory status.

HOW TO READ THIS UPDATE

- **Markers:** a filled marker means the jurisdiction or category is in scope on the substance of the publication; hollow means it is not indicated.
- **Final / in force:** the rules apply now.
- **Consultation open / closes:** responses are invited to the date shown; nothing is in force until final rules are made.
- **Other labels:** public alert, public statement, supervisory expectations, supervisory context and enforcement.

FILING REMINDERS AND KEY DATES

Filings due

- **11 October 2026:** CBUAE Remuneration Regulation (C 5/2026) gap analysis report, banks and insurance companies. This date has passed; full compliance is required by 14 July 2027.

Consultations closing

- **30 November 2026:** FSRA Consultation Paper No. 5 of 2026, DeFi Risk Management Guidance.
- **30 January 2027:** CMA survey on the Draft Decision on Private Offerings for Free Zone Companies.

Other key dates

- **1 January 2027:** DFSA credit rating agency amendments and the COB rule making instrument come into force.
- **31 March 2027:** ADGM transition ends for Venture Capital Fund Managers and Foreign Fund Managers.

Applicability dashboard

Regulatory development	Who is affected	Action / consideration	Key date	Suggested owner
DUBAI INTERNATIONAL FINANCIAL CENTRE · DFSA				
1. DFSA – Prudential reporting (B110) and CRA rules	All DFSA Authorised Firms; CRAs for specific amendments	**Action required:** Use revised B110 for applicable reporting. CRAs to review relevant rule changes.	B110 effective 2 Oct 2026; CRA rules 1 Jan 2027	Finance / Compliance
2. DFSA – Enforcement: misleading the DFSA	DFSA firms, particularly those with investor-facing staff	**For information:** Reinforces expectations concerning accurate regulatory disclosures and individual accountability.	None	Compliance / HR
3. DFSA – Enforcement: unregistered DNFBP	DIFC firms using company service providers	**Consider if relevant:** Confirm that relevant company service providers are appropriately registered.	None	Compliance / MLRO
4. DFSA – Enforcement: Moody's data breaches	Firms handling confidential information	**For information:** Highlights the importance of effective information security and confidentiality controls.	None	Compliance / Information Security
5. DFSA – Regulatory alerts	Firms conducting onboarding and counterparty due diligence	**Consider if relevant:** Take account of the alerts within existing due diligence arrangements.	None	MLRO / Onboarding
ABU DHABI GLOBAL MARKET · FSRA				
6. FSRA – Proposed changes to Fees and GEN	ADGM Authorised Persons and other affected entities	**Monitor:** Await final rules. No immediate action required under the proposals.	Consultation closed 6 Nov 2026	Compliance / Finance
7. ADGM – Business centre licensing proposals	ADGM business centre operators; tenants indirectly	**For information:** No immediate action required for tenants.	Consultation closed 6 Nov 2026	Legal / Office Management
8. ADGM – Regulatory priorities, audit penalties and crypto mining guidance	ADGM registered entities and relevant service providers	**Consider if relevant:** Ensure statutory filings and beneficial ownership records remain up to date.	Ongoing	Compliance / Company Secretarial
9. FSRA – DeFi Risk Management Guidance	ADGM firms engaging with DeFi protocols or venues	**Consider if relevant:** Review the proposals and provide feedback where appropriate.	Consultation closes 30 Nov 2026	Risk / Compliance
10. FSRA – Binance incident and Takeo Investments alert	Firms with relevant Binance exposure or conducting counterparty due diligence	**Consider if relevant:** Assess any Binance exposure and take account of the regulatory alert.	None	Operations / MLRO
UAE FEDERAL · CBUAE AND FEDERAL AUTHORITIES				
11. FATF – Updates to monitored jurisdictions	UAE firms subject to AML obligations	**Review if relevant:** Consider whether updates to country risk assessments and due diligence procedures are necessary.	None	MLRO
12. CBUAE – Enforcement: AED 200 million penalty on foreign bank branch	CBUAE-regulated banks; wider financial services sector for context	**For information:** Reinforces expectations concerning AML governance, sanctions controls and senior management accountability.	None	Compliance / MLRO / Senior Management

FORWARD LOOK

What to watch

Development	What to watch in Q4 2026 and Q1 2027	Who it may apply to
DUBAI INTERNATIONAL FINANCIAL CENTRE · DFSA		
DFSA CP 173: funds framework	Final rules awaited following closure on 7 September 2026, then a proposed three month implementation period. The proposals include abolition of the External Fund Manager regime.	DIFC fund managers and External Fund Managers; administrators, trustees, custodians and sponsors.
DFSA CP 174: token definitions	The Crypto Token and Investment Token proposals in CP 174 are deferred to a later stage and were not made in October.	DIFC firms with Crypto Token or Investment Token activity.
DFSA credit rating agency rules	The COB rule making instrument and the revised conflicts and disclosure requirements come into force on 1 January 2027.	Credit Rating Agencies.
ABU DHABI GLOBAL MARKET · FSRA		
FSRA DeFi guidance	Comments on Consultation Paper No. 5 of 2026 close on 30 November 2026; final guidance to follow.	ADGM firms engaging with DeFi protocols or venues.
FSRA fees and RA business centres	Consultation Papers No. 6 and No. 7 of 2026 close on 6 November 2026. Final rules awaited; existing business centres would then have six months to comply.	All Authorised Persons for fees; business centre operators and their tenants.
ADGM funds framework: transition	Venture Capital Fund Managers and Foreign Fund Managers have until 31 March 2027; the FSRA has said it will make contact about transition.	ADGM Venture Capital Fund Managers and Foreign Fund Managers.
FSRA transfer schemes	Final amendments awaited following closure of Consultation Paper No. 2 of 2026 on 21 September 2026.	ADGM Authorised Persons contemplating a transfer of business.
FSRA alert since period end	Alert of 5 November 2026 on a suspected scam and misleading claims by Airo Capitals, which the FSRA says has never held a Financial Services Permission or been incorporated in ADGM.	Onboarding, KYC and counterparty due diligence teams.
UAE FEDERAL · CBUAE AND FEDERAL AUTHORITIES		
CBUAE Remuneration Regulation	The gap analysis report was due on 11 October 2026. Full compliance with C 5/2026, including review of existing contracts, is required by 14 July 2027.	CBUAE licensed banks and insurance companies.
CMA private offerings	The CMA survey on the Draft Decision on Private Offerings for Free Zone Companies closes on 30 January 2027. A survey on a Draft Decision for Private Placement of Private Joint Stock Companies opens on 1 December 2026.	Free zone companies and sponsors considering private offerings in the UAE.
UAE National Risk Assessment	Third cycle launched 28 September 2026; findings awaited, feeding the 2028 National Strategy and National Action Plan.	MLROs and financial crime functions in every UAE jurisdiction.

EVENTS

Upcoming events

Confirmed Optima Partners events, followed by industry events that may be of interest.

Optima events

When and where	Event
19 November 2026 Cipriani South Street, New York	**Abu Dhabi Investment Forum (ADIF), New York: Optima attending** ADIF is convened by the Abu Dhabi Investment Office in partnership with ADGM, bringing together investors, advisers and business leaders around Abu Dhabi's investment landscape, with editions held in investment centres internationally. Optima Partners will be attending the New York edition. Please contact your usual Optima contact if you would like to arrange a meeting around the event. **Relevant to:** Firms considering an ADGM presence, regional fundraising or Middle East distribution.

Industry events

Hosted by the financial centres themselves and relevant to firms operating in, or considering, the DIFC and ADGM.

7 to 10 December 2026 Al Maryah Island, Abu Dhabi	**Abu Dhabi Finance Week 2026, hosted by ADGM** ADGM's annual convention, with 75 events across eight stages in 2026 against 60 events across six stages in 2025. New platforms include the AIMA Global Hedge Fund Leadership Platform, and the second day focuses on private markets. **Relevant to:** Asset and fund managers, private markets, treasury and those weighing an ADGM presence.

DUBAI INTERNATIONAL FINANCIAL CENTRE · DFSA

01 DFSA consolidates prudential returns into a redesigned form B110 and revises credit rating agency rules following CP 174

REGULATOR / DATE	Dubai Financial Services Authority (DFSA). Notice of Amendments to Legislation, 1 October 2026; media release and Feedback Statement on CP 174, 5 October 2026.
STATUS / DEADLINE	Final / in force. Prudential reporting changes from 2 October 2026 (PIB instrument); credit rating agency changes from 1 January 2027 (COB instrument).
JURISDICTION	● **DFSA / DIFC** ○ FSRA / ADGM ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	● **Cat 1** ● **Cat 2** ● **Cat 3A** ● **Cat 3B** ● **Cat 3C** ● **Cat 4** ● **Cat 5** *Form B110 applies to every Authorised Firm. The credit rating agency changes apply only to Credit Rating Agencies.*
OTHER FIRM TYPES	Credit Rating Agencies; regulatory reporting teams; outsourced reporting providers.

WHAT HAS CHANGED

The DFSA published its Feedback Statement on Consultation Paper No. 174 and made targeted amendments to its prudential reporting and credit rating agency requirements, through the PIB and COB rule making instruments listed in its Notice of Amendments to Legislation of 1 October 2026.

Prudential reporting is streamlined. Data previously reported on forms B180 and B120 is now captured in a redesigned form B110, which applies to all Authorised Firms. Each firm completes only the data items relevant to its own reporting requirements.

For Credit Rating Agencies, the rules move to a more principles based approach to assessing relationships that may cause, or be perceived to cause, a conflict of interest. Disclosure requirements the DFSA considered duplicative or unnecessarily prescriptive are removed. Agencies remain required to provide users with sufficient information to understand how a rating was determined.

The Crypto Token and Investment Token proposals in CP 174 are deferred to a later stage and do not form part of these amendments.

IMPLICATIONS

Reporting templates, internal reconciliations and outsourced reporting arrangements built around forms B180 and B120 no longer correspond to the form in force from 2 October 2026.

For Credit Rating Agencies, the conflicts assessment from 1 January 2027 depends on the agency's own framework for identifying relevant relationships. Token classifications under the current definitions are unaffected.

WHO IS AFFECTED

Firms that outsource prudential reporting, or that previously submitted forms B180 or B120, are most directly affected, as their reporting templates were built around the superseded forms. Firms authorised only in ADGM or onshore are outside scope.

SUGGESTED ACTIONS

- Ensure the next prudential return is prepared on the redesigned form B110.
- Confirm that any outsourced reporting provider has adopted the revised form.
- Credit Rating Agencies: review conflicts procedures before 1 January 2027.

SOURCE DFSA, targeted amendments to CRA and prudential reporting requirements · Feedback Statement on CP 174 · Notice of Amendments to Legislation: October 2026

02 DFSA fines a former Authorised Firm employee USD 210,000 for misleading the DFSA and failing to produce documents

REGULATOR / DATE	Dubai Financial Services Authority (DFSA). Decision Notice dated 21 May 2026; media release 26 October 2026.
STATUS / DEADLINE	Enforcement: Decision Notice.
JURISDICTION	● **DFSA / DIFC** ○ FSRA / ADGM ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test. Relevant to any Authorised Firm that engages staff, consultants or introducers in investor facing roles who are not Authorised Individuals.*
OTHER FIRM TYPES	Fund and wealth managers with capital raising or investor relations staff; HR and recruitment; Compliance Officers.

WHAT HAS CHANGED

The DFSA fined Gary Joseph Peters USD 210,000 (AED 771,330). It also prohibited him from holding office in, or being an employee of, any DFSA authorised firm or fund, and restricted him from performing any function connected with financial services in or from the DIFC.

Mr Peters worked at a DFSA Authorised Firm from November 2020 to June 2022. His employment contract named him Chief Operating Officer, and he was also described as Managing Partner and Public Relations Officer. His principal role was introducing potential investors to the firm. He was never an Authorised Individual.

The DFSA found that he gave false or misleading information in a compulsory interview by denying prior convictions involving fraud or other dishonest conduct, in breach of Article 66 of the Regulatory Law 2004. He had pleaded guilty in three criminal cases in another jurisdiction. He also failed, without reasonable excuse, to produce certificates or transcripts supporting his claimed qualifications, in breach of Article 69. The DFSA found that he is not a fit and proper person.

Mr Peters referred the Decision Notice to the Financial Markets Tribunal on 18 June 2026. The Tribunal directed on 19 October 2026 that the referral be struck out.

IMPLICATIONS

The action was taken against an individual who held no DFSA authorisation, on the basis of his role and conduct at an Authorised Firm. The DFSA stated that a person does not need to be an Authorised Individual to be held accountable.

The undisclosed convictions concerned fraud and dishonesty, and his principal function was introducing investors. Reliance on self declaration for investor facing staff outside the Authorised Individual regime would not have identified either matter.

WHO IS AFFECTED

The prohibition binds DFSA regulated funds as well as Authorised Firms, and covers any function connected with financial services in or from the DIFC, whether or not it is a Licensed Function. Firms outside the DIFC are outside scope.

SUGGESTED ACTIONS

- Firms may wish to use this enforcement action as a reminder of the importance of providing complete and accurate information to the DFSA.
- Where relevant, firms may consider whether existing recruitment and due diligence arrangements adequately address individuals undertaking investor-facing activities.

SOURCE DFSA, The DFSA fines Gary Joseph Peters USD 210,000 for misleading the DFSA and failing to produce documents

03 DFSA fines a DIFC company USD 454,367 for providing company services without registering as a DNFBP

REGULATOR / DATE	Dubai Financial Services Authority (DFSA). Media release dated 15 October 2026.
STATUS / DEADLINE	Enforcement: Decision Notice. The penalty has been imposed and the matter settled.
JURISDICTION	● **DFSA / DIFC** ○ FSRA / ADGM ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test. The DNFBP Prohibition applies to DIFC entities carrying on DNFBP activities, including company services. Authorised Firms are relevant as users of those services.*
OTHER FIRM TYPES	Company service providers in the DIFC; fund managers, family offices and sponsors using third parties to form or administer DIFC vehicles; MLROs.

WHAT HAS CHANGED

The DFSA imposed a penalty of USD 454,367.05 (AED 1,668,662.99) on Hayman-Woodward Global Mobility Services (DIFC) Ltd. (HWW DIFC), combining a fine and disgorgement. A 30% settlement discount applied to the fine component, reducing the total from USD 522,047.05.

HWW DIFC is incorporated in the DIFC with listed activities of management consultancy and document clearing services. It has never been authorised by the DFSA or registered as a DNFBP.

From August 2018 to February 2025 it acted as a formation agent for legal persons and provided registered office, business, correspondence and administrative addresses, serving 71 clients. It also entered agreements with three free zones outside the DIFC to facilitate company formation and other company service provider services.

The DFSA found a breach of Article 71A(1) of the Regulatory Law 2004, the DNFBP Prohibition, which prohibits a DNFBP from carrying on activities in or from the DIFC unless it is registered with the DFSA.

IMPLICATIONS

The penalty includes disgorgement as well as a fine, so the consequence extends to the revenue earned from the unregistered activity. The conduct ran for six and a half years and covered formation and registered address services, on which fund and holding structures commonly rely.

The DFSA stated that operating without registration impaired its ability to supervise the financial crime risks of these services. Customer due diligence on the owners of the companies served was carried out outside DFSA supervision for the duration of the conduct.

WHO IS AFFECTED

Unregistered DIFC entities providing formation, registered office or similar company services are directly within the DNFBP Prohibition. Authorised Firms, funds and family offices are affected as users of those services. Providers registered with the DFSA as DNFBPs, and providers operating only outside the DIFC, are outside scope.

SUGGESTED ACTIONS

- Confirm that DIFC company service providers used by the firm are registered with the DFSA.
- Include DNFBP registration status in due diligence on new service providers.

SOURCE DFSA, The DFSA fines Hayman-Woodward Global Mobility Services (DIFC) Ltd. USD 454,367 for breaching the DNFBP Prohibition

04 DFSA fines Moody's Investors Service Middle East Limited USD 585,825 for data confidentiality breaches

REGULATOR / DATE	Dubai Financial Services Authority (DFSA). Media release dated 28 October 2026.
STATUS / DEADLINE	Enforcement: Decision Notice. The fine has been imposed following early settlement.
JURISDICTION	● **DFSA / DIFC** ○ FSRA / ADGM ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test for the read across. The rules breached are specific to Credit Rating Agencies; the control failings described are relevant to any firm holding confidential client or market sensitive information.*
OTHER FIRM TYPES	Credit Rating Agencies; asset managers and advisers holding confidential or inside information; information security and data governance functions.

WHAT HAS CHANGED

The DFSA fined Moody's Investors Service Middle East Limited (MISMEL) USD 585,825 (AED 2,149,977). Without the early settlement discount the fine would have been USD 836,892. MISMEL has been licensed by the DFSA as a Credit Rating Agency since 31 December 2012.

Between December 2023 and May 2026, MISMEL reported seven inadvertent data disclosures to the DFSA. Four involved confidential data disclosed to external recipients.

The DFSA found that MISMEL breached its Credit Rating Agency rules by failing to maintain adequate systems and controls to protect data confidentiality, and by failing to ensure that its employees did not disclose confidential information.

The contributing factors identified were the discontinuation of a data security tool without an immediate replacement, inadequate systems and controls to prevent and detect breaches, and ineffective internal disciplinary processes for the employees responsible.

IMPLICATIONS

The disclosures were reported to the DFSA by the firm itself; the DFSA nonetheless imposed a fine of USD 836,892 before discount. Self reporting did not displace the finding that the underlying controls were inadequate.

One contributing factor arose from a change to the control environment, when a data security tool was withdrawn before a replacement was in place. The DFSA also treated the disciplinary response to individual disclosures as part of the control framework.

WHO IS AFFECTED

The read across applies to DIFC firms that hold confidential issuer, client or portfolio data and rely on technical controls to prevent misdirected disclosure. Firms outside the DIFC are outside the DFSA's jurisdiction for this action.

SUGGESTED ACTIONS

- Review data loss prevention controls against the failings identified by the DFSA.
- Ensure data security controls are not withdrawn before a replacement is in place.
- Remind staff of confidentiality obligations and the disciplinary consequences of breaches.

SOURCE DFSA, The DFSA fines Moody's Investors Service Middle East Limited USD 585,825 for data confidentiality breaches

05 DFSA issues two alerts concerning false claims of DFSA regulation by Adaa Financial Services and a cryptocurrency recovery scam

REGULATOR / DATE	Dubai Financial Services Authority (DFSA). Two alerts published 20 October 2026.
STATUS / DEADLINE	Public alert. A risk alert supporting recommended operational checks, not a regulatory requirement. No deadline and no obligation.
JURISDICTION	● **DFSA / DIFC** ○ FSRA / ADGM ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test and no new obligation. Relevant to any firm conducting client, counterparty or introducer due diligence, and to firms whose clients hold cryptocurrency.*
OTHER FIRM TYPES	Onboarding and KYC teams; client service teams of wealth managers and family offices; MLROs.

WHAT HAS CHANGED

The DFSA published two alerts in October 2026, both on 20 October. The first, titled False Claims by Adaa Financial Services that it is Regulated by the DFSA, concerns an entity claiming DFSA regulation. The second, titled DFSA Impersonated in Cryptocurrency recovery scam, concerns use of the DFSA's name in a cryptocurrency recovery scam.

The DFSA Public Register records a firm named adaa Financial Services Limited (DFSA reference F002440), licensed on 24 March 2015. Its Managing Assets activity was suspended on 26 April 2017 and its licence was withdrawn on 13 July 2017.

The DFSA published seven alerts in September 2026 and two in October 2026.

IMPLICATIONS

A register entry under the same name does not establish current authorisation. The register records a firm of that name whose licence was withdrawn in 2017, so verification that relies on the presence of a name, without confirming current status, would not detect a claim of this kind.

Recovery scams typically target individuals who have previously suffered losses, purporting to offer assistance in recovering them. The DFSA alert provides a reference point for client service staff who receive reports of such approaches.

WHO IS AFFECTED

The first alert engages onboarding checks that accept a claimed DFSA licence; the second engages client service teams of firms with individual clients. Institutional managers with no individual clients are outside the second alert's scope. The alerts create no obligation.

SUGGESTED ACTIONS

- Where relevant, firms may wish to remind onboarding teams of the importance of verifying current regulatory authorisation against the DFSA Public Register.
- Firms with potentially affected clients may also wish to make relevant client-facing staff aware of the cryptocurrency recovery scam alert.

SOURCE DFSA Alerts · DFSA Public Register: adaa Financial Services Limited

ABU DHABI GLOBAL MARKET · FSRA

06 FSRA consults on proposed revisions to the Fees and General Rulebooks, closing 6 November 2026

REGULATOR / DATE	Financial Services Regulatory Authority (FSRA), ADGM. Consultation Paper No. 6 of 2026 published 9 October 2026.
STATUS / DEADLINE	Responses closed 6 November 2026; proposed effective date 1 January 2027.
JURISDICTION	○ DFSA / DIFC ● **FSRA / ADGM** ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test. Sections B to F apply to all Authorised Persons; Section A applies only to MTF and OTF operators, Recognised Bodies and Listed Entities.*
OTHER FIRM TYPES	DNFBPs filing AML Returns; prospective controllers and applicant firms; MTF and OTF operators, Recognised Investment Exchanges and Clearing Houses, and Listed Entities.

WHAT HAS CHANGED

The Late Filing Fee for Regulatory Filings, including AML Returns, would rise from $500 to $1,000. It would be applied automatically on the 1st, 11th and 21st business day a filing is overdue, capped at $3,000 per filing. Once the cap is reached the matter would be escalated, including to enforcement where appropriate. Requests for an exemption or extension must be made at least 10 business days before the deadline.

Proposed Guidance states that the FSRA will not usually grant a variation of a Financial Services Permission within 12 months of authorisation. Some changes in control involve extensive change to ownership, business model, governance, management or Regulated Activities. For these, the supplementary fee may equal that for a new authorisation, and a longer assessment period may apply.

FEES 2.1 would be clarified for variations to the description of a Regulated Activity, including additions of Virtual Assets, Fiat Referenced Tokens or Spot Commodities, and for Islamic Financial Business. Invoices would ordinarily be payable within 20 business days.

Markets fees would also increase. The MTF and OTF application fee would rise from $10,000 to $100,000 and the annual supervision fee from $10,000 to $40,000. Venues for Virtual Assets, Fiat Referenced Tokens or Spot Commodities would see no change in total fees. Recognised Investment Exchange or Clearing House fees would rise from $125,000 to $150,000 on application and from $60,000 to $100,000 a year. A new annual fee of $1,000 would apply to each class of Securities on the Official List. These proposals have no buy side impact.

The FSRA proposes an effective date of 1 January 2027, with 2027 supervision fees invoiced in December 2026.

IMPLICATIONS

A filing left outstanding for four weeks would cost $3,000, compared with a single $500 fee today. The FSRA states that the fee is unlikely to be waived once applied. The 12 month Guidance links early variation requests to whether a firm accurately described its intended activities at authorisation.

WHO IS AFFECTED

For fund and asset managers, the relevant proposals are the Late Filing Fee and the Guidance on variations and change in control. Firms authorised only in the DIFC or onshore are outside scope.

SUGGESTED ACTIONS

- Review the Regulatory Filings calendar and escalation process ahead of 1 January 2027.
- Applicants: include all planned Regulated Activities in the initial FSP application.

SOURCE ADGM Public Consultations: Consultation Paper No. 6 of 2026

07 ADGM Registration Authority proposes to license business centre operators, with capital, insurance and wind down requirements

REGULATOR / DATE	Registration Authority (RA), ADGM. Consultation Paper No. 7 of 2026 opened 14 October 2026; announced 15 October 2026.
STATUS / DEADLINE	Consultation closes 6 November 2026. Nothing is in force until final rules are made. Existing operators would have six months from publication of the final Rules to meet the main conditions.
JURISDICTION	○ DFSA / DIFC ● **FSRA / ADGM** ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test. The proposals regulate business centre operators. Authorised Persons are relevant as tenants where their ADGM premises or registered office are provided by a business centre.*
OTHER FIRM TYPES	Business centre and serviced office operators; company service providers; fund managers, family offices and SPVs using serviced premises or a registered office in ADGM.

WHAT HAS CHANGED

The RA proposes to make providing business centre services a controlled activity under the Commercial Licensing Regulations 2025, through amendments to three sets of rules. The draft defines the activity as providing furnished office accommodation together with ancillary business support services, such as reception, telephone answering, mail handling, internet and meeting room access, as part of an integrated business centre offering.

Operators would hold public liability insurance of at least USD 1,000,000 for any single claim, and minimum regulatory capital of USD 50,000 in immediately available funds, restored within seven business days if it falls below that level.

Operators would disclose pricing, packages and exclusions in writing before a client signs, and could not enter client agreements extending beyond their own right to occupy the premises. Material events affecting the ability to operate, such as failure to renew the headlease, restructuring or loss of premises, would be notified to the Registrar within five business days. A wind down and contingency plan would cover client communications, transition milestones and support for clients relocating premises or registered office. Business centres would be barred from accepting or distributing cash above USD 3,000 in connection with a transaction. The paper also proposes amended professional indemnity insurance requirements.

IMPLICATIONS

The RA's stated purpose is to protect business centre tenants and support continuity of their premises and registered office arrangements. For a tenant, the proposals limit agreement terms to the operator's right to occupy and require the operator to plan for relocating clients if it ceases to operate. New applicants would have to comply from publication of the final Rules.

WHO IS AFFECTED

Landlords leasing office space without the integrated support services fall outside the proposed definition, as do firms occupying their own premises. Tenants acquire no obligations under the proposals.

SUGGESTED ACTIONS

- No immediate action required.

SOURCE ADGM RA, Consultation Paper No. 7 of 2026: Proposal to Introduce a Regulatory Framework for Business Centres · ADGM announcement (15 October 2026)

08 ADGM Registration Authority publishes its regulatory priorities for 2026 to 2027, penalises an audit firm and issues crypto mining guidance

REGULATOR / DATE	Registration Authority (RA), ADGM. Regulatory Priorities 2026 to 2027 published 1 October 2026; audit penalties announced 23 October 2026; crypto mining guidance 28 October 2026.
STATUS / DEADLINE	Supervisory expectations and enforcement. No deadline. The priorities apply now; the Decision Notices on the audit penalties are final.
JURISDICTION	○ DFSA / DIFC ● **FSRA / ADGM** ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test. The RA supervises ADGM legal persons, auditors, company service providers and DNFBPs. Authorised Persons are relevant as ADGM companies subject to RA filing and beneficial ownership requirements.*
OTHER FIRM TYPES	ADGM SPVs, holding companies, foundations and family office vehicles; company secretarial providers; auditors of ADGM entities. Crypto mining operators, with no buy side impact.

WHAT HAS CHANGED

The RA's Regulatory Priorities 2026 to 2027 set ten priorities: filings and renewals; audit quality; data driven and risk based supervision; beneficial ownership; emerging technology; retail consumer protection; DNFBPs; company service providers; unlicensed activity; and enforcement.

Under filings, the RA will measure on time filing of licence renewals, annual accounts and confirmation statements and escalate repeat late filers. Under beneficial ownership, it will run data validation exercises, remediate inconsistencies and refer serious or repeated failures to comply for enforcement.

On 23 October 2026 the RA announced penalties of USD 88,000 on MCA Auditors and Advisors LLP (USD 52,000) and its Audit Principal (USD 36,000). An inspection found deficiencies in one audit of an ADGM registered company, including risk assessment, fraud risk, group audit requirements, evidence over material areas and the Audit Principal's involvement.

On 28 October 2026 the RA issued Guidance on Crypto Mining Activities in and from ADGM, treating crypto mining as a licensable commercial activity separate from FSRA regulated activities. This has no buy side impact.

IMPLICATIONS

Two of the ten priorities, filings and beneficial ownership, apply to every ADGM legal person, including fund vehicles, SPVs and holding companies. The RA has stated that it will validate beneficial ownership data and refer serious or repeated failures for enforcement.

The audit penalties concern a single engagement and fall within the audit quality priority.

WHO IS AFFECTED

ADGM companies and their company secretarial providers, for filings and beneficial ownership; audit firms registered with the RA, for audit quality. FSRA conduct requirements are outside the RA's remit.

SUGGESTED ACTIONS

- Review beneficial ownership filings for ADGM entities in the group for accuracy.
- Ensure annual filings for ADGM entities are monitored against their due dates.

SOURCE ADGM RA, Regulatory Priorities 2026 to 2027 · RA penalties on MCA Auditors (23 October 2026) · RA crypto mining guidance (28 October 2026)

09 FSRA consults on DeFi Risk Management Guidance for Authorised Persons and Recognised Bodies, closing 30 November 2026

REGULATOR / DATE	Financial Services Regulatory Authority (FSRA), ADGM. Consultation Paper No. 5 of 2026 published 6 October 2026.
STATUS / DEADLINE	Consultation open. Comments by 30 November 2026 to fsra.consultation@adgm.com. The guidance is proposed and has no effect until finalised.
JURISDICTION	○ DFSA / DIFC ● **FSRA / ADGM** ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test. The proposed guidance applies to any Authorised Person or Recognised Body that engages with DeFi protocols or venues.*
OTHER FIRM TYPES	Managers of digital asset funds and of portfolios with digital asset exposure; custodians; recognised investment exchanges and clearing houses; risk, compliance and MLRO functions.

WHAT HAS CHANGED

The FSRA's approach to DeFi has to date been set out only in Discussion Paper No. 1 of 2022. CP 5 proposes the first FSRA guidance on how Authorised Persons and Recognised Bodies should manage risks from engaging with DeFi arrangements. Existing rules continue to apply; the Guidance sets out how the FSRA expects them to be met where DeFi is involved.

Material DeFi engagements would be subject to a formal approval and onboarding process, with senior management oversight, accountability, management information on DeFi exposures and defined arrangements for incident escalation and engagement with the FSRA.

The assessment would cover infrastructure risks such as custody, wallet and signing arrangements, smart contracts, oracles, bridges, composability and third party dependencies. It would establish whether the firm understands the protocol, can safeguard and monitor the assets, and can meet its AML, sanctions, conduct, prudential and client asset obligations.

Firms would be responsible for determining the nature of each DeFi exposure, including Fiat Referenced Tokens, synthetic exposures, receipt tokens, tokenised claims and wrapped or bridged assets, and the requirements that apply to it. The use of DeFi does not change the legal or regulatory characteristics of the underlying asset. No new Regulated Activity, protocol approval regime or change to the regulatory perimeter is proposed.

IMPLICATIONS

The announcement addresses the guidance to Authorised Persons and Recognised Bodies generally, without limiting it to holders of a virtual asset permission. Its reach therefore depends on whether a firm engages with DeFi protocols or venues.

Client asset safeguards and auditability are among the ten areas, so the expectations extend to custody and reconciliation arrangements for assets deployed in a protocol, in addition to the risk assessment of the protocol itself.

WHO IS AFFECTED

Firms with no DeFi engagement fall outside the guidance, including firms whose digital asset activity is limited to centralised venues. DIFC and onshore firms are outside scope.

SUGGESTED ACTIONS

- Identify any engagement by the firm or its funds with DeFi protocols or venues.
- Where engagement exists, review controls against the ten areas in the proposed guidance.

SOURCE ADGM FSRA, ADGM FSRA invites industry feedback on proposed DeFi Risk Management Guidance (6 October 2026)

10 FSRA issues a statement on a security incident involving Binance and an alert concerning Takeo Investments

REGULATOR / DATE	Financial Services Regulatory Authority (FSRA), ADGM. Alert concerning Takeo Investments, 8 October 2026; statement regarding Binance, 30 October 2026.
STATUS / DEADLINE	Public statement and public alert. No new obligation and no deadline.
JURISDICTION	○ DFSA / DIFC ● **FSRA / ADGM** ○ UAE Federal ○ CMA (formerly SCA)
FIRM CATEGORY	*No category test and no new obligation. Relevant to firms holding own, fund or client assets at, or trading through, Binance, and to any firm conducting client, counterparty or introducer due diligence.*
OTHER FIRM TYPES	Digital asset fund managers; custodians and administrators with exchange exposure; onboarding, KYC and MLRO functions.

WHAT HAS CHANGED

On 30 October 2026 the FSRA issued a statement regarding a security incident at the Binance exchange involving unauthorised withdrawals of assets. The FSRA said it is engaging closely with Binance and monitoring the incident, with priorities of protecting client interests and supporting market integrity and orderly functioning.

The statement does not quantify the assets affected, does not identify the Binance entity concerned and does not refer to client asset protections or to obligations for other firms.

On 8 October 2026 the FSRA alerted the public to a suspected fraudulent scheme by Takeo Investments, categorised on the FSRA Regulatory Alerts page as an unlicensed firm.

IMPLICATIONS

The FSRA statement records an incident and supervisory engagement. As it gives no detail of losses or of the position of client assets, a firm's exposure can be assessed only from its own records of assets held at, or routed through, Binance.

The Takeo Investments alert followed the FSRA's previous alert, of 30 September 2026, by eight days and is the eleventh alert listed on the FSRA Regulatory Alerts page for 2026.

WHO IS AFFECTED

Firms with no Binance exposure, and no clients, counterparties or introducers asserting ADGM authorisation, are outside scope.

SUGGESTED ACTIONS

- Review any exposure of the firm or its funds to Binance and escalate as appropriate.
- Ensure onboarding verifies asserted ADGM authorisation on the FSRA Public Register.

SOURCE ADGM FSRA, FSRA Statement Regarding Security Incident Involving Binance (30 October 2026) · FSRA Regulatory Alerts

UAE FEDERAL · CBUAE AND FEDERAL AUTHORITIES

11 FATF removes four jurisdictions from increased monitoring and leaves its call for action list unchanged

REGULATOR / DATE	Financial Action Task Force (FATF). Plenary held 28 to 30 October 2026; public statements dated 30 October 2026.
STATUS / DEADLINE	Supervisory context, no new obligation.
JURISDICTION	● DFSA / DIFC ● FSRA / ADGM ● UAE Federal ● CMA (formerly SCA)
FIRM CATEGORY	*No category test. FATF statements inform country risk assessment and enhanced due diligence for firms subject to UAE AML obligations in every jurisdiction.*
OTHER FIRM TYPES	MLROs; investor relations and onboarding teams; fund administrators performing investor due diligence.

WHAT HAS CHANGED

The FATF plenary removed Bulgaria, Côte d'Ivoire, the Democratic Republic of the Congo and Monaco from its list of Jurisdictions under Increased Monitoring. No jurisdiction was added.
Eighteen jurisdictions remain under increased monitoring: Angola, Bolivia, Bosnia and Herzegovina, Cameroon, Haiti, Iraq, Kenya, Kuwait, Laos, Lebanon, Nepal, Papua New Guinea, South Sudan, Syria, Venezuela, Vietnam, the Virgin Islands (UK) and Yemen.

The High Risk Jurisdictions subject to a Call for Action are unchanged: the DPRK and Iran, subject to countermeasures, and Myanmar, subject to enhanced due diligence. The FATF will consider countermeasures for Myanmar if there is no further progress by February 2027, and expects tangible improvements from Vietnam by the same plenary.

The plenary also agreed a targeted review of implementation of the FATF Standards on virtual assets, with results due in June and October 2027. The UAE does not appear on either list in the reports reviewed.

IMPLICATIONS

Removal from increased monitoring ends the FATF basis for treating Bulgaria, Côte d'Ivoire, the Democratic Republic of the Congo and Monaco as higher risk. A firm's own risk assessment may continue to rate them as higher risk on other factors.

Kuwait, Iraq, Lebanon, Syria and Yemen remain under increased monitoring, so investors and counterparties connected with them continue to carry the country risk weighting a firm applies to listed jurisdictions.

WHO IS AFFECTED

Firms in the DIFC, ADGM and onshore that onboard investors, clients or counterparties connected with a listed or delisted jurisdiction. Firms with no exposure to the affected jurisdictions are unaffected.

SUGGESTED ACTIONS

- Firms may wish to consider whether the updated FATF jurisdiction lists require any amendments to their existing country risk assessments or due diligence procedures.
- Any changes to risk classifications should take account of the firm's overall risk-based approach and relevant jurisdiction-specific factors.

SOURCE FATF, Jurisdictions under Increased Monitoring (October 2026) · FATF, High Risk Jurisdictions subject to a Call for Action (30 October 2026) · Outcomes FATF Plenary, 28 to 30 October 2026

12 CBUAE imposes an AED 200 million penalty on the UAE branch of a foreign bank and fines its Chief Executive Officer and Head of Compliance

REGULATOR / DATE	Central Bank of the UAE (CBUAE). Press release dated 30 October 2026.
STATUS / DEADLINE	Enforcement: financial penalties and supervisory measures. In effect. No deadline for other firms.
JURISDICTION	○ DFSA / DIFC ○ FSRA / ADGM ● **UAE Federal** ○ CMA (formerly SCA)
FIRM CATEGORY	*Not applicable. CBUAE licence types govern the measure. The individual penalties are relevant by analogy to senior managers and MLROs in any UAE jurisdiction.*
OTHER FIRM TYPES	CBUAE licensed banks and branches of foreign banks; DIFC and ADGM firms with banking relationships with foreign bank branches; Chief Executive Officers, Compliance Officers and MLROs.

WHAT HAS CHANGED

The CBUAE imposed a financial penalty of AED 200,000,000 on a branch of a foreign bank licensed in the UAE, under the Federal Decree Law regarding the Central Bank and the Organisation of Financial Institutions and Activities. The CBUAE did not name the bank.

The penalty followed CBUAE examinations that found repeated failures in the branch's AML and CFT framework, its governance and compliance management, and its sanctions framework.

The CBUAE also imposed penalties of AED 500,000 on the Chief Executive Officer and AED 300,000 on the Head of Compliance and Money Laundering Reporting Officer, for failing to fulfil the responsibilities and functions of their positions.

The bank must implement a Mandatory Remediation Programme subject to independent validation and must reassess the fitness and propriety of its Chief Executive Officer and Chief Compliance Officer.

IMPLICATIONS

The penalty equals the AED 200 million imposed on an exchange house in May 2025, the largest on the CBUAE enforcement list, and is ten times the AED 20 million penalty imposed on a foreign bank branch in June 2026.

Two individuals were penalised alongside the institution for failing to discharge the responsibilities of their roles, and a Fit and Proper reassessment of two senior officers was ordered. Accountability for the branch's AML and sanctions failures extended to the Chief Executive Officer as well as the compliance function.

WHO IS AFFECTED

The penalties bind the branch and the two individuals. DIFC and ADGM firms are outside the CBUAE's jurisdiction for this action; for them the read across concerns senior management accountability for financial crime controls.

SUGGESTED ACTIONS

- Remind senior managers and the MLRO of their personal accountability for AML controls.
- Review governance reporting on AML and sanctions controls against the failings identified.

SOURCE CBUAE, Enforcement: CBUAE imposes financial penalty of AED 200,000,000 on a branch of a foreign bank licensed in the UAE (30 October 2026)

Basis of preparation

This update is general information about regulatory developments. It is not legal advice and should not be relied on as such. Applicability to any particular firm depends on that firm's permissions, activities and circumstances. Firms should assess applicability against their own licence and take advice where the position is unclear.

The applicability dashboard and forward look are triage aids and are not statements of obligation. The suggested internal owners are indicative and will vary with how responsibilities are allocated within a firm.

Where a development looks likely to affect your firm, please contact your usual Optima Partners contact or call us. We can work through the detail against your permissions, activities and client base, and help you reach a view on what, if anything, needs to change.

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