VOLUME II · THE REGULATORY REGISTER

The Regulatory Register

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The UAE now operates the world's most developed multi-regulator framework for tokenized real-world assets. This issue maps who regulates what, what changed through 2025 and 2026, and where the enforcement risk actually sits.

Summary

- Five separate regulators touch tokenized assets in the UAE: the federal Capital Markets Authority and Central Bank, plus VARA in Dubai, the DFSA in the DIFC and the FSRA in ADGM. [1, 2]
- Federal Cabinet Resolution No. 111 of 2025 expanded the statutory definition of virtual assets to include certain tokenized securities and real-world-asset tokens, effective January 2026. [3]
- ADGM's FSRA has regulated digital assets since 2018 and updated its virtual-asset guidance in March 2026 to address DeFi, tokenized assets and AI-driven trading. [1, 4]
- VARA formally recognised Asset-Referenced Virtual Assets in May 2025 — a dedicated regulatory category for tokenized real-world assets. [5]
- **Enforcement is live, and it is aimed at marketing.** VARA is reported to have fined five entities a combined AED 7.5 million under its Marketing and Communications Rulebook in June 2025. [6]

1. Who regulates what

Jurisdiction depends on how a token is classified and where the activity is carried on — not on where the company says it is based. Misclassification is the most common structural error in this market.

Regulator	Perimeter	Relevance to tokenized real assets
ADGM / FSRA	Abu Dhabi Global Market; English common law	Mature digital securities framework active since 2018; oriented to professional and institutional participants. Widely regarded as the most institutionally robust regime in the region. [1, 2]
VARA	Dubai, excluding the DIFC	Created by Dubai Law No. 4 as the world's first dedicated virtual-asset regulator. Operates the ARVA category for tokenized real-world assets. [2, 5]
DFSA	Dubai International Financial Centre	Operates a tokenisation sandbox for tokenized financial instruments. The DIFC Digital Assets Law recognises digital assets as property. [2, 5]
CMA (formerly SCA)	Federal — broker and exchange services	Decision No. 4/R.M/2026 governs broker and exchange activity at federal level. [2]
CBUAE	Federal — payment tokens	Payment Token Services Regulation (2024) governs payment tokens and stablecoin-type instruments. [2]

2. ADGM — the register of changes

ADGM is a federal financial free zone established by UAE federal legislation in 2013, operating under English common law. It hosts approximately 800 registered entities, and more than 20 firms are licensed by the FSRA to conduct activities involving virtual assets or fiat-referenced tokens. [4, 7]

Date	Change	Effect
2018	First comprehensive virtual-asset framework in the Middle East, via FSMR amendments	Established ADGM as an early mover; the digital securities framework follows from this. [2, 7]
Dec 2024	Framework for fiat-referenced token issuance	Baseline regime for FRT issuers. [7]
Jun 2025	Updated FSRA guidance	Streamlined licensing and adjusted capital requirements; consultations opened on staking. [5]
Sep 2025	Digital Assets Framework update	Extended to DeFi protocol operators with a defined nexus to ADGM. [6]
Oct 2025	Final FRT amendments	Detailed the approach to accepting FRTs for use in ADGM. [7]
1 Jan 2026	FRT rules take effect	Expanded the scope of Regulated Activities that may be carried on using FRTs, with risk-based, proportionate requirements. [7]
Mar 2026	Updated virtual-asset guidance	Addresses DeFi, tokenized assets and AI-driven trading; four primary licence categories including a new DeFi Protocol category. [4]

2.1 Practical parameters

Reported licensing parameters for ADGM virtual-asset activity include four primary licence types — broker-dealer, exchange, custodian and the new DeFi protocol category — with a base minimum capital requirement around US$250,000 and a typical FSRA review timeline of four to six months. [4] These figures come from a secondary commentary source and should be confirmed directly with the FSRA and counsel before being relied on for planning.

3. Dubai — VARA and the ARVA category

VARA's recognition of Asset-Referenced Virtual Assets in May 2025 created an explicit regulatory category for tokenized real-world assets and fractional ownership structures. For anyone tokenizing income-producing property in Dubai, ARVA is the relevant classification rather than a generic virtual-asset licence. [5]

Instrument	Substance
ARVA recognition (May 2025)	Dedicated category for asset-referenced tokens; directly relevant to real estate and income-linked tokens. [5]
Custody Services Rulebook (Mar 2025)	Strict client-asset segregation, cold-storage minimums reported at 95% for most asset types, and mandatory third-party audits. [6]
Marketing & Communications Rulebook	Enforcement guidance issued June 2025; five entities reportedly fined a combined AED 7.5 million. [6]
Rulebook 2.0 / FRVA and ARVA issuance	Ongoing tightening of disclosure, retail protections and ARVA governance as Dubai scales its Web3 strategy. [2, 5]

4. The finding that matters most this month

Marketing is a supervised activity — and it is where enforcement is landing

The single most actionable item in this issue is not a licensing rule. It is that VARA is reported to have taken enforcement action against five entities under its Marketing and Communications Rulebook in June 2025, with fines totalling AED 7.5 million.

Firms preparing to enter this market routinely over-invest in structuring counsel and under-invest in reviewing what their own website says. Promotional language, implied returns, urgency mechanics and countdowns on a public site are marketing communications. In this jurisdiction they are supervised, and pre-authorisation they are exposed.

ALTXRA's own standing rule follows from this: no transactional language, no yield presented as inducement, and no call to action to acquire any instrument on any public surface until the relevant authorisation is in hand. The publication programme itself is marketing and is governed by the same rule.

Confidence note: this enforcement report is drawn from a secondary compliance commentary (Tier C). It should be verified against VARA's own published notices before it is relied upon externally or cited in a filing.

5. Beyond the UAE

Jurisdiction	Development	Note
United States	First formal SEC statement on tokenized securities (Jan 2026); WisdomTree tokenized MMF intraday trading approved (Feb 2026)	Also, Nasdaq, NYSE and DTCC moves toward integrating tokenized securities into regulated market architecture. [8]
United States	Federal banking regulator guidance on capital treatment	A tokenized security conferring the same legal rights as its conventional form should receive the same capital treatment. [9]
United States	GENIUS Act	Cited alongside MiCA as having provided legal clarity encouraging institutional adoption. [10] Secondary sourcing; verify statutory detail before relying on it.
European Union	MiCA	Referenced consistently as the EU's clarity framework for crypto-assets. [10]
International	OECD Crypto-Asset Reporting Framework	Alignment expected to increase data sharing and reporting obligations for virtual-asset service providers. [5]

6. Compliance checklist for a pre-authorisation issuer

Derived from the changes above. This is an operating checklist, not legal advice; each line requires counsel confirmation in the relevant jurisdiction.

- **Map the perimeter before the product.** Identify whether the intended activity falls under CMA, VARA, DFSA, FSRA or CBUAE. The classification of the token determines the regulator, not the location of the office.
- **Classify the instrument honestly.** A fractional interest in an income-producing asset should be assumed to be a security or an ARVA until counsel says otherwise.
- **Treat the website as a regulated surface.** Marketing and communications rules apply to public-facing material. Review it with the same seriousness as an offering document.
- **Resource compliance before expansion.** AML/CFT, sanctions screening, suitability, monitoring and reporting functions should be staffed before licensing is sought, not after.
- **Build regulatory cost into the model.** Licensing, capital, insurance, technology controls, local management and audit are recurring line items, not one-off setup costs.
- **Separate commercial from financial-services licensing.** Infrastructure and operating businesses should not be analysed through the same lens as the regulated issuance entity.

Sources & References

Every superscript [n] in the text links to the entry below. Figures are reproduced as published by the cited source; ALTXRA does not adopt third-party projections as its own forecasts. Accessed August 2026.

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