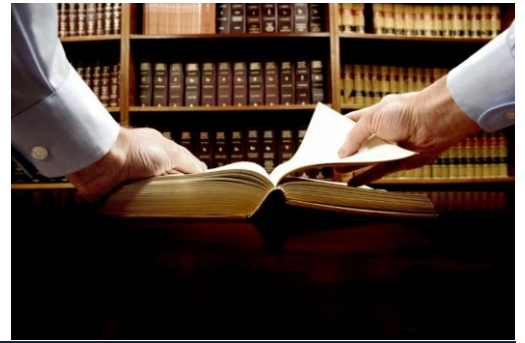


inBrief

**The Beginning of the Era of Artificial Intelligence**

By Shahram Safai and Anoud Hezam | 23 September 2025

Artificial Intelligence (AI) has become one of the fastest-growing drivers of global markets, attracting an influx of investment. In the United States, the world's largest AI hub, funding into AI companies continues to increase as industries from finance to healthcare seek to benefit from its transformative potential.¹

This is not only limited to the U.S., but it is increasingly mirrored in global markets, particularly in the Middle East. Substantial resources are being directed into AI development in the MENA region, with the UAE being at the forefront of these efforts. In 2024, Microsoft and G42, Abu Dhabi's leading AI technology holding company, announced a \$1.5 billion collaboration to promote responsible and secure AI. In addition, the country has implemented long-term strategic frameworks, including the National Artificial Intelligence Strategy 2031 published by the UAE Minister of State for Artificial Intelligence Office, which aims at positioning itself as a global AI hub.

In 2023, the United States and the United Arab Emirates signed a joint statement on AI cooperation, reaffirming their shared commitment to advancing "safe, secure, and trustworthy AI."² The agreement highlights a joint effort to align regulatory frameworks, foster ethical research, and create opportunities for trade and investment to develop the AI infrastructure. With shared goals of safe innovation, talent development, and cross-border investment, the agreement positions the UAE as a key driver of AI in the Middle East.

The combination of strategic government initiatives, international cooperation, and increasing private and public investment flows suggests that the region is eager to become a major player in the global AI economy.

Legal Issues surrounding AI

Artificial intelligence is advancing faster than many legal systems can keep up. As countries adopt AI across industries, several legal and regulatory questions have emerged. These challenges are particularly relevant in areas such as ownership rights, data protection, and accountability.

Intellectual Property and Ownership

A central issue is ownership of AI-generated work. Most legal systems around the world do not allow an AI system to be recognized as an inventor³. While the UAE is unclear regarding its position, it is likely that,

The Authors

Shahram Safai

Partner

ssafai@afриди-angell.com

Shahram is a partner at Afridi & Angell. His practice consists of advising on tax, corporate law and real estate. He heads the firm's tax and real estate teams and has been highly sought after by boards and shareholders for strategic legal advice. Shahram is qualified as a solicitor in England and Wales and is a member of the California State Bar. Also, he has a degree in electrical/mechanical engineering from the University of British Columbia in Vancouver, Canada, with a focus on robotics / artificial intelligence. Shahram is a past Chairman of the Canadian Business Council of Dubai and the Northern Emirates.



LEADING PARTNER

Legal500

EMEA
2025

¹ <https://www.weforum.org/stories/2024/11/healthcare-health-ai/>

² <https://ae.usembassy.gov/united-states-and-united-arab-emirates-cooperation-on-artificial-intelligence/>

³ Article on Legal Issues Related to the Use of Artificial Intelligence

in practice, it will adopt a similar approach. In this case, developers usually protect their work by claiming copyright over their codes or by keeping their methods private so others cannot copy them. This leaves a practical challenge: while human-created inventions can be formally protected, many AI-created innovations cannot, creating uncertainty for businesses investing heavily in the sector.

Data Privacy and Regulation

AI relies on vast datasets, making data privacy and regulation critical. To address this, the UAE has established the UAE Council for Artificial Intelligence and Blockchain, a specialised committee tasked with strengthening governance and ensuring effective regulation of AI.⁴ These efforts reflect growing recognition that without strong safeguards, AI risks amplifying issues such as existing social biases or exposing sensitive infrastructure to cyberattacks⁵. However, regulatory frameworks are still evolving, the challenge lies in ensuring that innovation does not surpass protection.

Liability and Accountability

AI's ability to act autonomously raises many questions regarding accountability. If an AI system in an autonomous vehicle causes an accident, who bears legal responsibility: the developer, the user, or another party?⁶ While other regulations governing AI were established in the UAE, regulators have yet to examine AI accountability. This legal gap underscores the complexity of attributing responsibility in AI systems.

The Legal and Regulatory Landscape of AI

Dubai has chosen a proactive approach and positioned itself as a regional pioneer in regulating and adopting artificial intelligence.

Early Strategic Moves

The UAE's 2017 National Artificial Intelligence Strategy laid the groundwork for the country's development in the AI sector⁷. Dubai has served as a testing ground for implementation with its AI institutions piloting AI applications across healthcare, transport, and government services. By 2017, the UAE Cabinet had established the Council for Artificial Intelligence, chaired by Minister Omar bin Sultan Al Olama, to oversee integration across sectors⁸.

Free Zone Innovation

UAE's financial free zones, such as the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM), amended their pre-existing regulations, such as the DIFC Data Protection Regulation, to incorporate governance of AI⁹. Both free zones have also developed Financial Technology firms (FinTech)^{10,11} that create indirect opportunities for AI start-ups to test new applications in a supervised legal environment.



Anoud Hezam
Legal Intern

Anoud is a third-year law student with a strong academic background and growing practical experience in litigation, dispute resolution, and international commercial matters. She has gained exposure to cross-border commercial issues, case management, and arbitration, developing valuable insight into the workings of complex disputes. Passionate about dispute resolution and international commercial law, Anoud is building a solid foundation in both litigation and alternative dispute resolution (ADR).

⁴ https://ai.gov.ae/ai_council/

⁵ https://www.lexismiddleeast.com/ejournal/2020-05-29_6/

⁶ Article on Legal Issues Related to the Use of Artificial Intelligence

⁷ https://www.lexismiddleeast.com/pn/UnitedArabEmirates/Artificial_Intelligence/

⁸ <https://uaecabinet.ae/en/fetch-cab-ministers/his-excellency-omar-bin-sultan-al-olama>

⁹ <https://www.whitecase.com/insight-our-thinking/ai-watch-global-regulatory-tracker-uae>

¹⁰ <https://www.adgm.com/setting-up/fintech>

¹¹ <https://www.difc.com/ecosystem/innovation-hub>

Sector-Specific Regulation¹²

Dubai has also taken steps to regulate AI on a sectoral basis:

Healthcare - The Ministry of Health and Prevention uses AI in medical fitness exams to detect diseases quickly through X-ray recognition. Hospitals in Abu Dhabi employ AI robots for prescriptions, and Dubai has piloted a fully automated medical fitness centre. These steps show how AI is improving efficiency while supporting public health.

Aviation - Emirates Airlines applies AI to optimise flights and passenger services, while Dubai International Airport uses AI for security, logistics, and self-driving ground vehicles. Dubai Customs AI “productivity engine” is expected to save over a million work hours at ports, highlighting AI’s role in efficiency and safety.

Transportation - Dubai’s Autonomous Transportation Strategy aims for 25% driverless journeys by 2030. The RTA is testing autonomous vehicles, using AI to monitor customer satisfaction, manage taxis, and regulate parking. Here, regulation seeks to balance innovation with safety and service quality.

From the United States to the Middle East, fund flows are being directed into private companies, public markets, and national strategies that place AI at the centre of future growth. For businesses and investors, this signals a future where AI is reshaping the economic landscape of the region.

Afridi & Angell advises companies on financing transactions, including venture capital and private equity, as well as mergers & acquisitions. We also advise companies regarding the evolving regulatory landscape in the UAE. ■

Afridi & Angell

Founded in 1975, Afridi & Angell is a full-service UAE law firm in its fifth decade at the forefront of the legal community. From the beginning, our hallmarks have been a commitment to quality, unsurpassed knowledge of the law and the legal environment, and crafting of innovative business solutions. Licensed in the three largest Emirates of Abu Dhabi, Dubai and Sharjah as well as the Dubai International Financial Centre, our practice areas include banking and finance; corporate and commercial law; arbitration and litigation; construction; real estate; infrastructure projects; energy; project finance; maritime (wet and dry); and employment. We advise local, regional and global clients ranging in size and sophistication from start-ups, sole proprietorships, family-owned businesses, entrepreneurs and investors to some of the world’s largest public and private companies, governments and quasi-government institutions. We attract and retain clients with our dedication to practical guidance focused on their business needs supported by decades of experience here in our home jurisdiction, the UAE.

Afridi & Angell is the exclusive member firm in the UAE of top legal networks and associations, most notably Lex Mundi, the world’s leading network of independent law firms, and World Services Group.

www.afridi-angell.com

¹² https://ai.gov.ae/wp-content/uploads/2020/02/AIGuide_EN_v1-online.pdf