Afridi &Angell

افريدي وانجـــل

inBrief

The UAE's new banking law: a step forward for financial innovation

By Abdus Samad and Manaf Khreis | 30 October 2025

On 16 September 2025, Federal Decree-Law 6 of 2025 (the **New Banking Law**) came into force replacing UAE Federal Decree-Law 14 of 2018. The New Banking Law represents a comprehensive modernisation of the UAE's financial regulatory framework, expanding the supervisory remit of the Central Bank of the United Arab Emirates (**CBUAE**) to cover a broader range of financial and (for the first time) extending CBUAE remit to include technology service providers that support the provision of financial services in and from the UAE.

Licensed financial activities

The New Banking Law broadens the scope of what constitutes regulated financial services, and notably now includes:

- so called "open finance services"; and
- payment services using virtual assets.

Article 62 of the New Banking Law provides that any person carrying on, offering, or facilitating a licensed financial activity regardless of the technology or platform used is subject to CBUAE licensing. Article 62 therefore covers: (1) virtual assets payment tokens or other digital or physical instruments used in connection with the licensed activities, and (2) digital infrastructure providers, platforms, and decentralised applications that enable access to financial services such as payments, remittances, and investments.

The digital dirham and virtual-asset payments

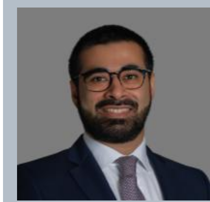
The New Banking Law grants the CBUAE clear authority to issue and regulate the digital dirham and confirms its status as legal tender to provide legal certainty around the use of digital money in the UAE.

Implications for businesses

The New Banking Law significantly expands the regulatory landscape for banks, fintechs, and technology service providers involved in payments, tokenisation, and open finance. Entities operating or planning to operate in these sectors should assess whether their services fall within the CBUAE's expanded regulatory perimeter. The New Banking Law contemplates a grace period of one year, meaning that businesses that need to adjust their license status to comply with the New Banking Law have till September 2026 to comply.

Given the one-year grace period granted under the New Banking Law, businesses are encouraged to begin their internal reviews and prepare for upcoming implementing regulations. Afridi & Angell is well placed to assist with any required internal gap analysis, as well as the licensing process contemplated by the New Banking Law. ■

The Authors



Abdus Samad
Partner
asamad@afridi-angell.com

Abdus Samad (Samad) advises foreign and UAE clients on general corporate, commercial and other matters relating to the conduct of business in the region. Samad has extensive knowledge and experience in cross-border matters including complex acquisitions and divestures, joint ventures, restructurings and reorganisations. Samad has been ranked as "Next Generation Partner" for commercial, corporate and M&A, in Legal 500 EMEA.

Manaf Khreis
Associate
mkhreis@afridi-angell.com

Manaf advises on a wide range of corporate and commercial matters, including commercial transactions, restructuring, mergers and acquisitions. His practice extends to regulatory, compliance, and labour matters.

Afridi & Angell

Founded in 1975, Afridi & Angell is a full-service UAE law firm at the forefront of the legal community. The firm celebrates its 50th anniversary in 2025. 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