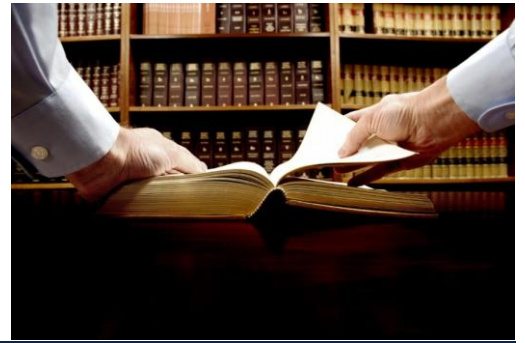


## inBrief

**Capital of Capital: Inside the UAE's Art Law Framework**

By Stuart Walker and Luca Rayes Palacín | 13 May 2026

The world's most ambitious cultural art district is rising on Saadiyat Island, as is the legal framework behind it.

Dubbed the “capital of capital”, Abu Dhabi is home to the only Louvre museum outside of France. It is situated within the Saadiyat Cultural District alongside the newly opened Zayed National Museum and the Natural History Museum. Before 2027, this exclusive list of neighbours will be joined by Guggenheim Abu Dhabi, which is expected to be the largest Guggenheim museum worldwide. Frieze is set to bring its internationally acclaimed art fair to the Emirate in November of 2026.

This is indicative of the scale of capital inflow into the UAE – and particularly Abu Dhabi – in recent years, as well as the UAE's positioning of arts and culture as a matter of national importance. Perhaps less visibly, it may also be connected to the enactment of UAE Federal Decree-Law 29 of 2024 on Empowering the Arts Sector (the **Art Law**).

The Art Law creates and regulates “**Art Institutions**”, which are defined as non-profit legal entities licensed to engage in activities related to the arts sector. “**Art**” is loosely defined as a product of human creativity and talent that translates emotions and inner sentiments or expresses perceptions, whether in an audible, visual or written form. Activities related to antiquities are not covered by the Art Law.

It is important to note that Art Institutions, including museums, foundations and similar institutions, must be non-profit in purpose. Ancillary revenue generating activities – including cafes, gift shops and ticketed programming – may be permitted to operate, provided that surpluses flow back into the institution. Galleries, dealers, advisories and other commercial entities are regulated by different UAE laws (including those applicable in its various free zones) and warrant separate analysis. They are also not able to benefit from certain tax, customs and import/export exemptions that may be available to Art Institutions under the Art Law. Regardless of the underlying objective, unless appropriately licensed, any entity seeking to engage in art activities (whether for-profit or not) must be appropriately licensed in the UAE.

Interestingly, the Art Law moves to designate Art Institutions as regulated entities subject to their own licensing, funding, corporate governance, taxation, profit distribution, insurance, intellectual property and reporting rules. Both the asset (“Art”, which is given a legal definition, including appropriate exclusions) and the market on which it operates (whether through non-profit “Art Institutions” or other commercial entities) are now brought within the realm of a defined regulatory framework and subject to designated licensing rules and governing authorities.

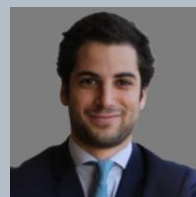
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Stuart's primary practice includes employment, financial services regulation, corporate finance and mergers and acquisitions. He leads the field in advising parties during Dubai Financial Services Authority (DFSA) investigations and was instructed by the first authorised firm to be fined by the DFSA. He assists a variety of international clients with their tax planning. Stuart was admitted as a solicitor in England & Wales in 2001 and moved to Dubai in 2003.



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Luca is based in Afridi & Angell's ADGM office and maintains a broad practice that spans financial services regulation, fund formation and management, cross-border and domestic mergers and acquisitions, corporate restructurings and capital markets. His practice extends to compliance, corporate governance and transactional advice. He also advises on Federal and ADGM-related employment issues.

All Art Institutions must appoint a director who reports to a non-remunerated, non-permanent board of trustees. Subject to the board of trustees' oversight, the director will be responsible for preparing internal annual budgets and accounts, as well as submitting annual budget summaries, performance evaluation reports and final accounts to the UAE Ministry of Culture. The Art Law also contains rules as to the eligibility of directors, trustees and founders. The requirements that apply to regular commercial entities are less stringent than those that apply to Art Institutions.

Certain UAE free zones, in addition to tax incentives, also offer art-grade storage facilities. Artworks stored within certain free zones may be transacted without physically moving them, reducing logistic, fiscal and customs pressure. The Dubai Free Port, for example, now contains a super vault combining world-class custody and security services with efficient airside customs exemptions. This is one of only a few in the Middle East.

Collectively, these measures have contributed to positioning the UAE as a jurisdiction that not only promotes arts and culture, but also allows professionals and enthusiasts alike to participate predictably in the multi-billion-dollar global art market – recognising that art is a matter of enjoyment and sentimental value as much it is a regulated asset class.

Nevertheless, follow-on legislation is expected to be implemented in the near term that will further elaborate upon the requirements set out in the Art Law. These developments are expected to affect commercial entities as well as non-profit Art Institutions.

Museums, galleries, dealers, patrons, advisors and collectors are therefore encouraged to monitor forthcoming developments, as well as their own activities in the UAE. This should allow them to assess how they may be affected by a market that is being regulated at the same pace as growing.

Afridi & Angell is in its sixth decade at the forefront of legal practice and is well placed to work with collectors, institutions, patrons and enthusiasts to navigate the art landscape in the UAE – from licensing and structuring to acquisitions, tax, and the finer details that come with each. ■

## **Afridi & Angell**

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