



Dubai's DIFC launches 'groundbreaking' Digital Assets Law

TMT and Fintech partner, Nadim Bardawil, recently spoke to Arabian Business regarding the DIFC's new Digital Assets Law, which came into effect on March 8, and defines the legal characteristics of digital assets as a form of property, outlining how they can be controlled, transferred, and dealt with by interested parties.

What does this mean for Dubai's digital assets sector?

It is important to first note that the DIFC Digital Assets Law (the "DLA") is not applicable to the entire Emirate of Dubai but only to the DIFC. The DLA is another feather in the cap of the UAE which is positioning itself at the forefront of providing a legislative model to integrate digital assets in the day-to-day economy.

How does this new law change things for the industry?

By integrating digital assets in many of the foundational laws of the DIFC, the financial free zone offers a jurisdiction which has decided to welcome digital asset-based transactions, as well as be one of the go to jurisdictions for any disputes involving digital assets.

Where does this place Dubai globally against other cities with proper digital assets regulation?

The majority of global legislations to do with digital assets have been more focused on the financial services aspect of the industry. Dubai and the UAE have already made their mark in this type of regulation through the FSRA, VARA and the DFSA's regulations on the usage of cryptocurrencies/virtual assets.

The difference with the DLA is that it is recognizing and defining a digital asset not just as a financial product but also as an asset which can be used in a non-financial services context.

Final thoughts

While digital assets have long had the reputation of being risky and unregulated, the DLA provides the ability to enter into digital asset transactions using the legislative framework of the DIFC underpinned by a recognized and reputable common law court in the DIFC Court. This is particularly interesting given that disputes involving digital transactions have already been adjudicated by the DIFC Court and we expect more parties to elect into the DIFC has a forum for contracts involving digital assets.

The full article, which include Nadim's comments, can be read here: [Arabian Business - Digital Assets Law](#).