PropFirmLicenseWiki
The free, sourced encyclopedia of prop firm licensing and regulation
propfirmlicensewiki.com

UAE (CMA / DFSA / FSRA) vs Cyprus (CySEC): prop firm rules compared

From PropFirmLicenseWiki, the free encyclopedia of prop firm licensing · Last updated 28 November 2026

In short: The United Arab Emirates (CMA / DFSA / FSRA): regulator's position not confirmed, licensed-route capital Varies by regime, compensation none. Cyprus (CySEC): regulator's position no formal position, licensed-route capital €750,000 (own-account investment firm), compensation none for challenge fees. Figures as of November 2026.

This page sets the two regimes side by side, using the same headings for each. It does not say which is 'better': that depends on the business model and on who the traders are. The full rules, sources and FAQs are in the Prop firm license in the United Arab Emirates and Prop firm license in Cyprus guides.

Side by side

	United Arab Emirates	Cyprus
Regulator	Capital Market Authority (CMA, formerly the SCA), Dubai Financial Services Authority (DFSA, DIFC) and Financial Services Regulatory Authority (FSRA, ADGM)	Cyprus Securities and Exchange Commission (CySEC)
Regulator's position	Not confirmed: we have not found a public statement on funded-trader programmes by the CMA, DFSA or FSRA.	No formal position. CySEC's chairman said in 2024 that prop trading firms would face more scrutiny and would probably fall under a regulatory framework at some point; in June 2026 he said that, to his knowledge, ESMA was not in substantive discussions about regulating retail prop trading.

	United Arab Emirates	Cyprus
License	No licence for evaluation-only programmes as such; a financial services licence where the firm deals for clients: from the CMA onshore, the DFSA in the DIFC or the FSRA in ADGM	No licence for evaluation-only (simulated) programmes as such; a MiFID II investment firm authorisation where the business provides investment services to clients or deals on own account outside the exemptions
Legal basis	Federal Decree-Laws No. 32 and No. 33 of 2025 (onshore capital markets); DIFC and ADGM financial services laws in the free zones	Directive 2014/65/EU (MiFID II), applied in Cyprus by the Cyprus Securities and Exchange Commission (CySEC); Directive (EU) 2019/2034 (IFD) for capital; EU consumer law for challenge fees
Minimum capital (licensed route)	Set by licence category in each regime. Not confirmed.	Under the Investment Firms Directive, an investment firm authorised to deal on own account needs initial capital of €750,000. A firm that only receives and transmits orders, executes orders or gives advice, and may not hold client money, needs €75,000; other investment firms need €150,000. A firm that trades only its own money can be outside MiFID II altogether (Article 2(1)(d)), unless it is a market maker, has direct electronic access to a trading venue or is a member of one, uses high-frequency algorithmic trading, or deals on own account when executing client orders.
Application fee	Not confirmed.	Set nationally by CySEC. Not confirmed.
Decision time	Not confirmed.	MiFID II gives the authority six months from a complete application to decide on an investment firm authorisation.
Local substance	A licensed entity established in the jurisdiction concerned (onshore UAE, the DIFC or ADGM), with local management.	An investment firm must have its head office in the member state where it has its registered office, and its business must be effectively directed by at least two persons of sufficiently good repute with sufficient knowledge, skills and experience.

	United Arab Emirates	Cyprus
Consumer protection	UAE consumer protection law applies to consumer purchases; not confirmed how it applies to challenge fees.	EU consumer law applies when challenges are sold to consumers. The Unfair Commercial Practices Directive bans misleading claims, for example about pass rates or earnings. The Consumer Rights Directive gives a 14-day right of withdrawal for online contracts, which can be lost once a service has been fully performed with the consumer's express consent.
Live trading and payouts	Not confirmed.	Evaluation accounts are usually simulated, so no trader money sits with a broker. Where trades are copied to or placed in live markets, the executing broker's licence and client asset rules protect the broker's own clients; they do not cover challenge fees paid to the prop firm.
Compensation scheme	None.	None for challenge fees or promised payouts. Investor compensation schemes cover clients of authorised investment firms (at least €20,000 per investor under the EU directive) when the firm cannot return their money or investments; a challenge fee is a purchase, not an investment held for the buyer.
Serving traders abroad	No. Each regime covers its own area: onshore UAE (CMA), the DIFC (DFSA) or ADGM (FSRA).	An authorised investment firm can serve clients across the EU and EEA after notifying its home authority. An evaluation business without a licence has nothing to passport; it is governed by consumer, company and tax law in each country where it sells.
Public register	DFSA public register [2]	CySEC's register of Cyprus investment firms [4]

Each figure is sourced in the license guide, where every line carries its own reference.

Frequently asked questions

Which license costs more to hold, the United Arab Emirates or Cyprus?

The United Arab Emirates: Set by licence category in each regime. Not confirmed. Cyprus: Under the Investment Firms Directive, an investment firm authorised to deal on own account needs initial capital of €750,000. A firm that only receives and transmits orders, executes orders or gives advice, and may not hold client money, needs €75,000; other investment firms need €150,000. A firm that trades only its own money can be outside MiFID II altogether (Article 2(1)(d)), unless it is a market maker, has direct electronic access to a trading venue or is a member of one, uses high-frequency algorithmic trading, or deals on own account when executing client orders. Capital is only the floor: running costs (staff, audit, compliance, technology) usually exceed it.

What do the two regulators say about funded-trader firms?

The United Arab Emirates: Not confirmed: we have not found a public statement on funded-trader programmes by the CMA, DFSA or FSRA. Cyprus: No formal position. CySEC's chairman said in 2024 that prop trading firms would face more scrutiny and would probably fall under a regulatory framework at some point; in June 2026 he said that, to his knowledge, ESMA was not in substantive discussions about regulating retail prop trading.

What happens to challenge fees if the firm fails?

The United Arab Emirates: None. Cyprus: None for challenge fees or promised payouts. Investor compensation schemes cover clients of authorised investment firms (at least €20,000 per investor under the EU directive) when the firm cannot return their money or investments; a challenge fee is a purchase, not an investment held for the buyer.

Can a licensed firm serve traders in other countries?

The United Arab Emirates: No. Each regime covers its own area: onshore UAE (CMA), the DIFC (DFSA) or ADGM (FSRA). Cyprus: An authorised investment firm can serve clients across the EU and EEA after notifying its home authority. An evaluation business without a licence has nothing to passport; it is governed by consumer, company and tax law in each country where it sells.

See also

- Prop firm license in the United Arab Emirates

- Prop firm license in Cyprus
- Czech Republic (CNB) vs Cyprus (CySEC): prop firm rules compared
- UAE (CMA / DFSA / FSRA) vs UK (FCA): prop firm rules compared
- India (SEBI / RBI) vs UAE (CMA / DFSA / FSRA): prop firm rules compared
- All 11 licenses in one table

References

1. Official Capital Market Authority (CMA, formerly the SCA), Dubai Financial Services Authority (DFSA, DIFC) and Financial Services Regulatory Authority (FSRA, ADGM) . United Arab Emirates. Accessed November 2026.
2. Official DFSA public register . CMA / DFSA / FSRA. Accessed November 2026.
3. Official Cyprus Securities and Exchange Commission (CySEC) . Cyprus. Accessed November 2026.
4. Official CySEC's register of Cyprus investment firms . CySEC. Accessed November 2026.

General information, not legal or investment advice. Figures as of November 2026; confirm with the regulator before applying or opening an account.

Source: https://propfirmlicensewiki.com/compare/uae-vs-cyprus/
Version: last updated 28 November 2026. Check the online version for later changes.

© 2026 PropFirmLicenseWiki. PropFirmLicenseWiki is a free, independent encyclopedia of prop firm licensing: what each regulator says about funded-trader (evaluation) firms, which licences apply to prop trading, and what traders are and are not protected by, across 11 jurisdictions. General information, not legal or investment advice. Confirm with the regulator or a qualified adviser before acting.