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Prop firm license in the United Arab Emirates

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Prop firms in the United Arab Emirates



Flag

Regulator	Capital Market Authority (CMA, formerly the SCA), Dubai Financial Services Authority (DFSA, DIFC) and Financial Services Regulatory Authority (FSRA, ADGM) [1]
Regulator's position	Not confirmed
Licence	No licence for evaluation-only programmes as such [1] [3] [4]
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 [2] [3] [4]
Licensed-route capital	Varies by regime
Consumer protection	Not confirmed
Compensation scheme	None
Serving traders abroad	No [1] [3] [4]
Prop firm register	No prop firm register [1] [3] [4]

Public register	DFSA public register

In short: 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. [1] [3] [4] Regulator's position (CMA / DFSA / FSRA): not confirmed. Capital for the licensed route: Varies by regime. Compensation if the firm fails: none. As of November 2026.

The **United Arab Emirates** has become one of the main bases for evaluation prop firms. There is no licence for evaluation programmes as such. Firms that deal for clients need a licence from the **Capital Market Authority** (which replaced the Securities and Commodities Authority on 1 January 2026), or from the **DFSA** in the DIFC or the **FSRA** in ADGM.

Regulator's position

Not confirmed: we have not found a public statement on funded-trader programmes by the CMA, DFSA or FSRA.

A regulator's silence is not approval. Where we found no public statement, this article says so.

Business models and licences

In the United Arab Emirates: 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. [1] [3] [4] 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. [2] [3] [4]

- **Evaluation (funded-trader) firm** – often set up as a free zone company; not licensed as a financial services firm as such
- **Licensed broker or dealer** – CMA, DFSA or FSRA licence to deal in investments for clients

Capital for the licensed route

Minimum capital in the United Arab Emirates (2026): Set by licence category in each regime. Not confirmed.

Application fee: Not confirmed.

> Capital is only the regulatory floor. Staff, audit, compliance, risk management and technology usually cost more than the capital itself.

Setting up

Decision time for a licence: Not confirmed. The usual steps are:

1. Choose the base: onshore UAE, a free zone, the DIFC or ADGM.
2. Take advice on whether the model needs a financial services licence.
3. For a licensed route, apply to the CMA, DFSA or FSRA with business plan, ownership, governance and AML documents.
4. For an evaluation business, register the company, and apply AML, sanctions and data protection controls to traders and payouts.

Substance and governance

A licensed entity established in the jurisdiction concerned (onshore UAE, the DIFC or ADGM), with local management. [1] [3] [4]

Trader protection

What protects traders in the United Arab Emirates, as of November 2026. See Trader protection for the same points in every jurisdiction.

Protection	Rule in the United Arab Emirates
Consumer protection for challenge fees	UAE consumer protection law applies to consumer purchases; not confirmed how it applies to challenge fees.

Protection	Rule in the United Arab Emirates
Live trading and payouts	Not confirmed.
Compensation if the firm fails	None.
Serving traders abroad	No. Each regime covers its own area: onshore UAE (CMA), the DIFC (DFSA) or ADGM (FSRA). [1] [3] [4]

Public registers

There is no register of evaluation prop firms. Licensed firms are listed by each regulator. [1] [3] [4]

A regulator's register is the only current source of who holds a licence. A prop firm's website saying it is “regulated” is not.

Recent changes

On 1 January 2026 Federal Decree-Laws No. 32 and No. 33 of 2025 came into force, reconstituting the Securities and Commodities Authority as the Capital Market Authority. Industry reporting ranks the UAE third, after the United States and the United Kingdom, as a base for trader-funding firms. [2] [5] [6]

How to check a prop firm

1. Find the exact legal name, registered address and company number of the entity that sells the challenge, usually in the terms and conditions or the website footer.
2. Check whether that entity, or the broker that executes live trades, appears on the regulator's register: DFSA public register . Most evaluation firms will not appear, because they are not licensed.
3. Search the regulator's warnings and IOSCO's I-SCAN alerts for the firm's name and website.
4. Read the rules on payouts, refunds, account closure and restricted countries before paying, and keep copies.

Frequently asked questions

Do prop firms in Dubai need a licence?

Not for evaluation-only programmes as such, as far as we have found. A firm that deals in investments for clients needs a licence from the CMA, the DFSA or the FSRA, depending on where it is based.

As of November 2026. Rules and regulators' positions change; confirm with the CMA / DFSA / FSRA or a qualified adviser before you set up a prop firm or pay for a challenge. Where we could not confirm a point from an official source, this article says so.

See also

- Prop firm rules compared
- How to check a prop firm
- All jurisdictions

References

Entries marked **Official** are the regulator, the law or another public body. Trade press is used only where no official text exists, and is named.

1. Official Capital Market Authority (formerly the Securities and Commodities Authority) . UAE Capital Market Authority. Accessed November 2026.
2. Official Federal Decree by Law No. (32) of 2025 Regarding the Capital Market Authority . UAE Legislation. Accessed November 2026.
3. Official Dubai Financial Services Authority . DFSA. Accessed November 2026.
4. Official Financial Services Regulatory Authority, Abu Dhabi Global Market . ADGM. Accessed November 2026.
5. Prop Trading in the UAE: A Side-by-Side Review of How High Profit Splits Attract Traders . Finance Magnates. Accessed November 2026.
6. "Constantly Showing Double-Digit Growth": Why MENA Is Prop Trading's Most Wanted Market . Finance Magnates. Accessed November 2026.

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