



ANNUAL REPORT 2023



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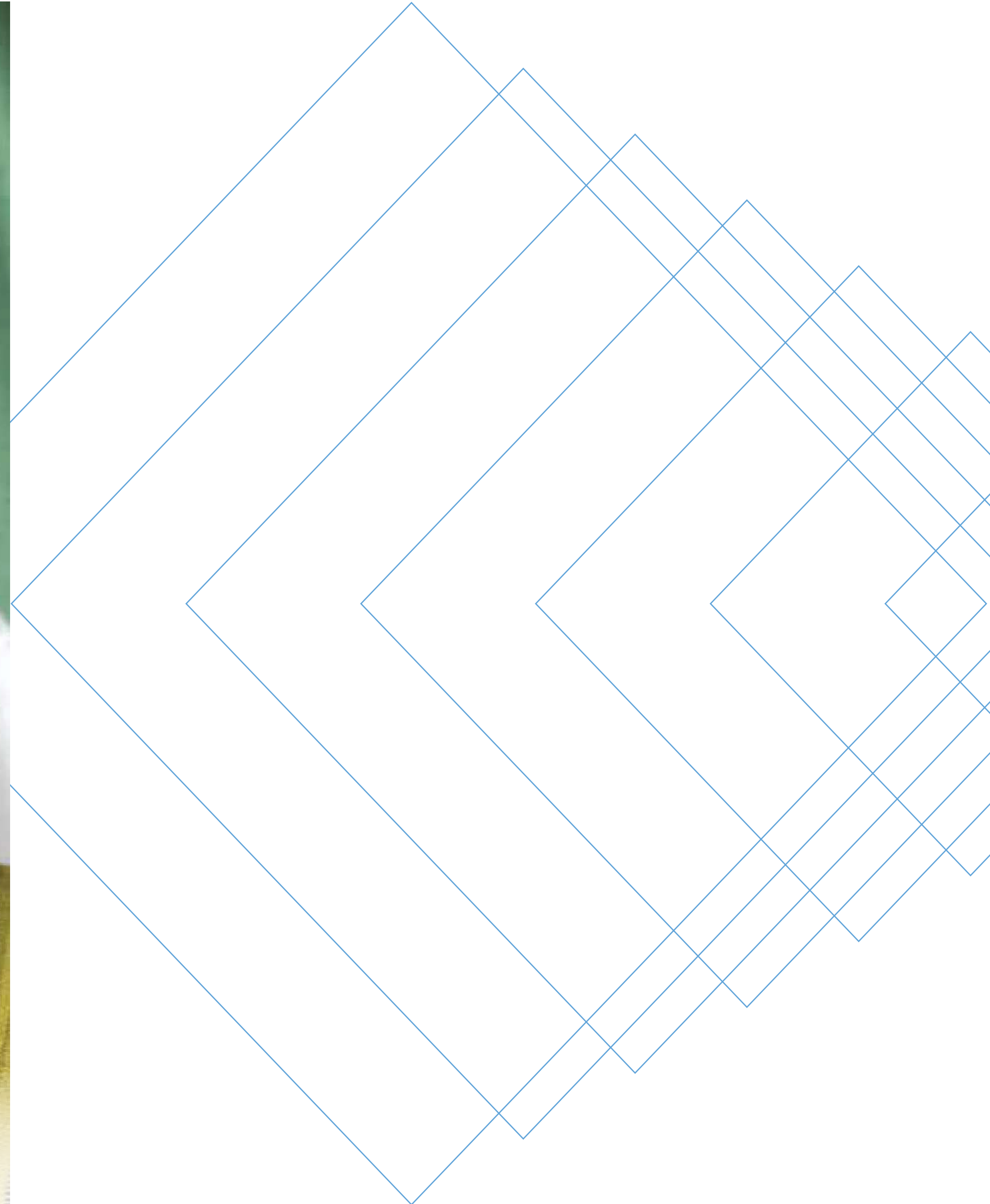
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His Highness Sheikh Mohammed bin Rashid Al Maktoum

Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai





Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum

First Deputy Ruler of Dubai, Deputy Prime Minister, Minister of Finance
and President of the Dubai International Financial Centre



Two decades ago, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, articulated an ambitious vision to transform Dubai into one of the world's leading global financial hubs. This vision has remained the cornerstone of DIFC's sustained performance over the years. DIFC's unprecedented growth in 2023 further consolidates Dubai's status as the region's foremost contributor to the global financial services industry." - His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, First Deputy Ruler of Dubai; Deputy Prime Minister and Minister of Finance of the UAE; and President of the Dubai International Financial Centre.





H.E. Essa Kazim

Governor of DIFC
Chairman of DIFC Authority
Board of Directors

Governor's Message

2024 marks DIFC's 20th anniversary, and what better way to start than on the back of another consecutive year of record-breaking results. By maintaining its focus on driving the future of finance, DIFC has multiplied its GDP contribution twenty-fold, underpinning its status as a world-leading financial centre.

Embodying the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, DIFC has exceeded its own ambitious targets by actively contributing to the international financial services industry, promoting the UAE as a competitive destination for finance, innovation and foreign direct investment, while developing the national economy.

Today, DIFC's 2023 performance further reflects the strong leadership and guidance of His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum,

First Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance of the UAE and President of DIFC, as exemplified by the Centre's standing as the leading global financial hub in the region, and central to Dubai's Economic Agenda (D33).

I would like to offer a special thanks to our leadership, our teams, and our community who have supported DIFC's extraordinary journey to date, and to its ongoing success as we strive towards our shared targets of increasing foreign trade, foreign direct investment and positioning Dubai among the top four global financial centres.

Our vision for DIFC remains clear - to be a global financial hub that drives the future of finance. During our 20th anniversary year, we will remain focused on our vision and achieve great things by continuing to innovate and collaborate.

CEO's Message



Arif Amiri

Chief Executive Officer
of DIFC

In yet another consecutive year of outstanding results, DIFC starts its 20th anniversary as the leading global financial centre for the Middle East, Africa, and South Asia (MEASA) regions, while broadening its facilities, services and regulation to meet the ongoing requirements for both financial and non-financial businesses.

As a result of its overall benefits, including location, regulation, environment, accessibility, security and performance, DIFC witnessed unprecedented growth in 2023.

DIFC's new registrations increased by 1,451, a year-on-year growth of 34 per cent, while FinTech and Innovation remained the fastest growing sector with a year-on-year growth of 31 per cent, bringing the total to over 900 firms. Overall, DIFC's community has expanded to 5,523 active companies, while the Centre's workforce now totals 41,597, up 15 per cent year-on-year.

Underscoring its commitment to innovation and DIFC's Strategy 2030, the DIFC Innovation Hub launched the Dubai AI and Web3 Campus to create the largest cluster of artificial intelligence (AI) and tech companies in the region, housing over 500 global AI and Web3 start-ups, while committing to create over 3,000 jobs by 2028. In addition to the success of the first Dubai FinTech Summit, which welcomed over 5,000 attendees and the launch of DIFC Launchpad, venture capital raised by DIFC-based start-ups regionally increased to USD 2.6bn, up 116 per cent year-on-year.

Another key development has been the official launch of DIFC's Family Wealth Centre (DWIC). Trusted by over 600 family businesses and related entities, the DFWC is a natural progression that formally supports long-term, economic growth, while presenting Dubai as a strategic, tax-efficient centre for UHNWIs to grow their businesses, while guiding their journey towards achieving multi-generational success.

As a destination, DIFC-owned and managed properties continue to be in high demand. At the end of 2023, occupancy stood at 99.5 per cent with DIFC Living, the Centre's first residential offering being sold out within 48 hours of being launched. Footfall to DIFC's urban retail district, Gate Avenue also increased by 25 per cent to 12mn visitors, supported by a growing number of events and the opening of 66 new food and beverage outlets and retail units.

In just 20 years, DIFC has evolved into a regional centre of excellence for the financial industry where a truly international community converges to innovate and mobilise capital. While our achievements are the result of a 20-year journey, I would like to thank our Chairman and the Board of Directors for their steadfast determination, and for their enduring support as DIFC continues to deliver for its stakeholders, while striving to reach its long-term targets and ambitions.

DIFC Board of Directors



H.E. Essa Kazim
Governor of DIFC
Chairman of DIFC Authority
Board of Directors



Abdullah Salim Al Turifi Al Shamsi
Board Member



Abdulla Jassem Kalban
Board Member



Salem Al Sharhan
Board Member



Dr. Ahmad Bin Hassan Al Shaikh
Board Member



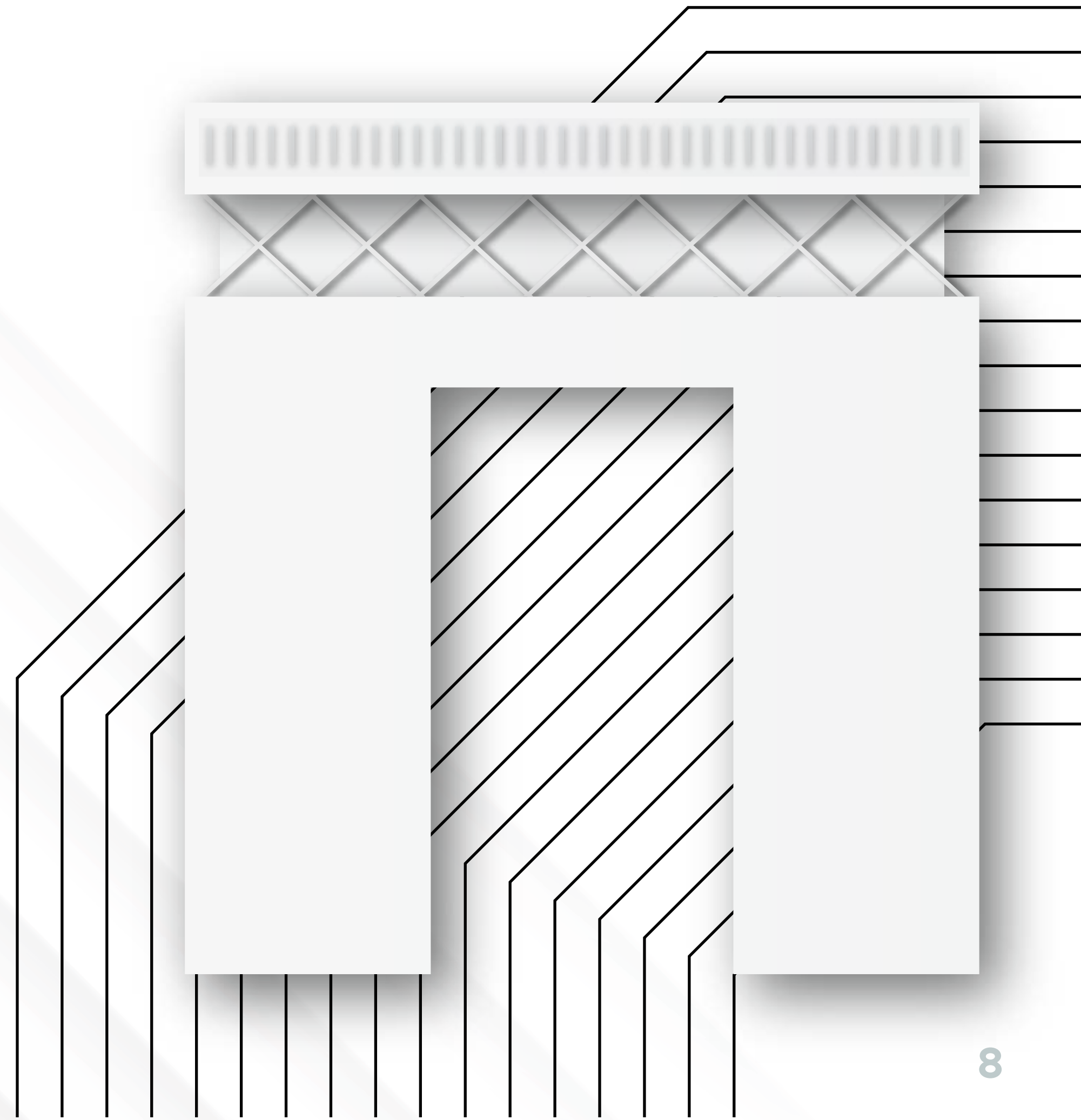
H.E. Khalfan Belhoul
Board Member



Hesham Al Qassim
Board Member

A year in review

2023
2023
2023





AED 1bn

Combined revenues close to AED1.3bn
23% higher than 2022's record-breaking performance.



27%

YoY profit
growth



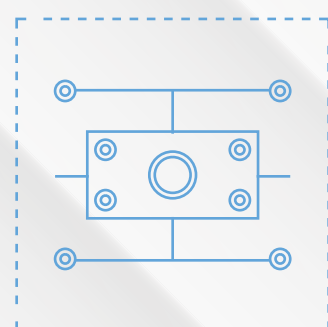
1,451

New company
registrations,
up 34% YoY



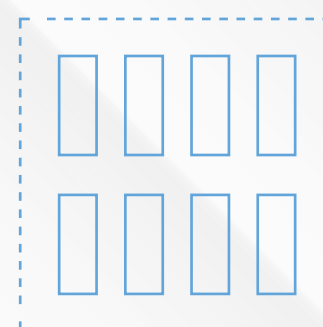
5,523

Number of active
companies,
up 26% YoY



902

FinTech and
Innovation firms,
up +31% YoY



+117

Regulated firms licensed
and registered by the DFSA

A Record-Breaking Start to 20 years of Excellence

DIFC has continued to differentiate its position as the leading global financial centre for the Middle East, Africa, and South Asia (MEASA) region in 2023, with a total of 5,523 active companies, a significant 26 per cent year-on-year boost from 4,377 in 2022.

Championed by the establishment of 1,451 new companies, the highest number of annual registrations in the Centre's history, up 34 per cent year-on-year, DIFC also finished ahead of its target to double its GDP contribution by 2030.

Financially, DIFC's combined revenues grew at their fastest levels since inception, approaching AED 1.3bn, 23 per cent higher than in 2022. Operating profit reached AED 859mn, up 27 per cent, reflecting the strength of DIFC's financial position, while total assets reached AED 18bn, an increase of 18 per cent.

DIFC is also home to the MEASA region's biggest hub for wealth and asset management with over 350 firms, primarily from the GCC, Europe, UK, and US. This includes 50 hedge fund related firms in DIFC's wealth and asset management ecosystem, 15 of which were established in 2023.

DIFC's independent regulatory authority, DFSA, licensed 117 firms throughout the year, taking the total number of regulated entities to 791. Growth also came from existing clients that upgraded their licenses. Driven by DIFC-led initiatives, the financial services sector captured more than half of all FDI investments coming into Dubai. According to the Financial Times Ltd. "fDi Markets" data, Dubai climbed from eighth in H1 2022 to sixth globally in H1 2023. Additionally, Dubai ranked first globally in the attraction of HQ FDI projects. During 2023, DIFC retained its position as the region's leading global financial centre in both the Z/Yen Global Financial Centres Index (GFCI) and Green Financial Centres Index.

Empowering the future of finance

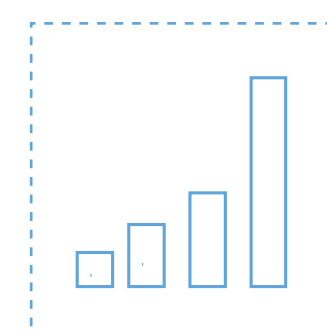
FinTech and Innovation have continued to lead DIFC's corporate growth with a 31 per cent year-on-year rise to 902 companies. Driven by a focused effort to unite the global sector through events such as DIFC's first Dubai FinTech Summit, which welcomed over 5,000 attendees, through to its readily available access to funding and investment, venture capital raised by DIFC-based start-ups increased to USD 2.6bn, up 116 per cent from USD 1.2bn in 2022.

2023 saw DIFC Innovation Hub launch its Dubai AI and Web3 Campus, with the long-term aim of creating the largest cluster of artificial intelligence (AI) and tech companies in the region and over 3,000 jobs by 2028. Today, it includes more than 500 growth-stage tech firms, established innovation companies, digital labs, venture capital firms, regulators, and educational entities. Concluding its annual flagship Investor Day in December, the event served as a graduation day for 19 start-ups from

the ninth edition of the FinTech Accelerator Programme. To date, the programme has successfully graduated over 200 start-ups, which have collectively raised over USD 600mn in funding.

DIFC also launched the DIFC Metaverse Platform, in line with the Dubai Higher Committee for Future Technology and Digital Economy's aim to attract technology innovators from around the world. Forging a cornerstone of DIFC's strategy to accelerate Dubai's status as a global metaverse leader, it also aligns with the wider Dubai Metaverse Strategy, which aims to add USD 4bn to Dubai's GDP, while supporting 40,000 virtual jobs by 2030 and attracting 1,000 companies specialised in blockchain and metaverse technologies.

The platform also supports the objective of the Dubai Economic Agenda D33 to generate an annual economic value worth AED 100bn from digital transformation. Concluding its first cohort in September, the first round attracted over 160 applications from the UAE, UK, US, India, and France, with a focus primarily on the Metaverse, AI, Web3, AR/VR and Blockchain sectors.



AED 1.3bn

Combined revenues grew
23 per cent YoY

Inspiring Investor Confidence through Robust Laws and Regulations

DIFC laws and regulations continued to evolve in 2023, reflecting global best practice. Family Arrangements Regulations were enacted to provide comprehensive guidelines for family businesses holding assets and operating in or from DIFC. These replaced the previous Single-Family Office regime with a new simplified version that can serve one or more families, while eliminating the requirement to register with the DFSA. Drafted to take advantage of the recognition of family business structures in free zones, the regulations also established certification and accreditation programmes for family businesses and their advisors in DIFC to support benefits and incentives planned for entities under UAE Family Business Law. The new regulations also coincide with the launch of DIFC Family Wealth Centre, covered later in the report, which acts as a central hub from an advisory and accreditation perspective for family businesses.

Venture Studio Regulations were also introduced, supporting the DIFC Launchpad by providing a legislative framework for venture building. Key features include providing the world's first legislative framework for venture building, establishing legal certainty around the venture building model, and clarifying how venture studios, entrepreneurs and start-ups interact with each other, and the wider market. The regulations also facilitate ease of doing business within the venture studio model by implementing specific operational measures to enable the incubation of new business ideas, sponsorship of entrepreneurs, and reduced costs for scaling new businesses.

Data Protection Regulations were also amended to address safer, and more ethical management of personal data processing and operations, with Regulation 10, a first-of-its-kind inclusion introduced for the processing of personal data via autonomous and semi-autonomous systems.

A consultation was further announced for a new Digital Assets Law and Law of Security, which sets out legal characteristics of a digital asset, its proprietary nature, and how it may be controlled, transferred, and dealt with by interested parties.

A Centre for Long-Term Generational Wealth

Building on 20 years of supporting family businesses, DIFC Family Wealth Centre (DFWC) was one of the major launches of 2023. Trusted by over 600 family businesses and related entities, the DFWC has become a sanctuary for global and regional family-owned businesses, UHNWIs and private wealth management. Launched in line with DIFC's 2030 strategy objectives, the Centre will provide a full range of services and accreditation to businesses and advisors who meet DIFC's standards.

Based on recent data, the Centre's launch coincides at a time when an estimated USD 1tn in assets will be transferred to the next generation in the Middle East during the next decade. Aligning with the government's commitment to support family businesses, the Centre will play a prominent role in accelerating the growth of the country's economy. Based on data that only an estimated 20 per cent of family businesses are managed by the third generation in the Middle East, another crucial part of the DFWC will be educating those who face challenges related to governance, succession, ownership, wealth, family dynamics and strategy to ensure greater long-term success.

Operating on an independent basis, the Centre's extensive remit will include providing advisory and concierge services, education and training, outreach, and high-end networking, while undertaking research and providing dispute resolution assistance.

DIFC-based family business foundation structures surged by 53 per cent to 443.



433

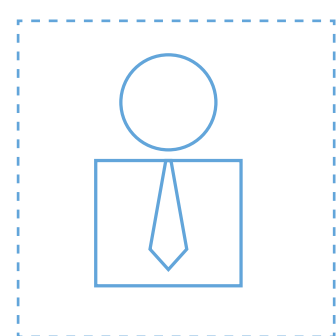
DIFC-based family business foundation structures surged by 53 per cent

Attracting and Developing Human Capital

DIFC continues to be a magnet for talent attraction and has extended its status by remaining host to the region's largest, deepest, and most experienced pool of financial services related talent. The total workforce grew to 41,597, a 15 per cent year-on-year increase, with 5,514 new jobs being created in the past year.

As part of its stimulus, the Centre launched the DIFC Talent Network to support the migration of skilled workers into DIFC companies while providing employment opportunities in other locations across the world where clients have premises. Currently, 57,334 people are registered on the platform, each of whom are accessing opportunities both internationally and within DIFC.

DIFC Academy continued to host an extensive series of programmes, welcoming 5,600 people throughout the year, taking the total number of graduates to 32,000 since inception. New partnerships were also announced with American University of Cairo, the CFA Institute, Chartered Banker Institute, CISCO Networking Academy, Georgetown University, Institute for Mergers Acquisitions and Alliances, the Ministry of Climate Change and Environment for the Green Charter for Sustainability in Education for the Future of our Youth, MIT Sloan Executive Education, United Nations Principles for Responsible Banking Academy, and the United Nations SDG Academy.



41,597

total workforce up 15% YoY

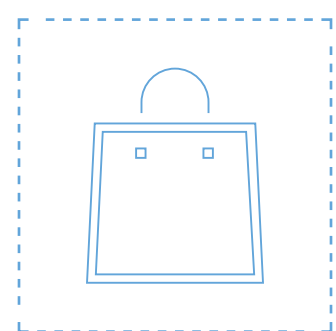


A Bustling Oasis for Work, Leisure, Culture and Lifestyle

DIFC-owned and managed properties continued to be in high demand. At the end of 2023, occupancy stood at 99.5 per cent, with DIFC Living, the Centre's first residential offering selling out within 48 hours of being launched. Providing direct access to Gate Avenue, the building's distinctive architecture will provide 174 opulent residences over 24 floors, ranging from 1 – 3 bedroom apartments and lofts, offering between 644 sq. ft to 2,388 sq. ft of living space. DIFC Living will also include retail and lifestyle offerings as well as its Innovation Two concept, a series of Grade A level, dedicated workspaces spread over the first nine floors, dedicated towards supporting the growth of tech firms, innovation companies, digital labs, venture capital firms, regulators, and educational entities.

Overall footfall to DIFC's urban retail district, Gate Avenue increased 25 per cent to 12mn visitors, helped by a growing number of events and the opening of 66 new food and beverage outlets and retail units.

Among the varied cultural events to take place, DIFC Sculpture Park returned in its second year under the theme Tales Under The Gate, and included over 100 eye-catching art pieces, sculptures, and video art from global artists.



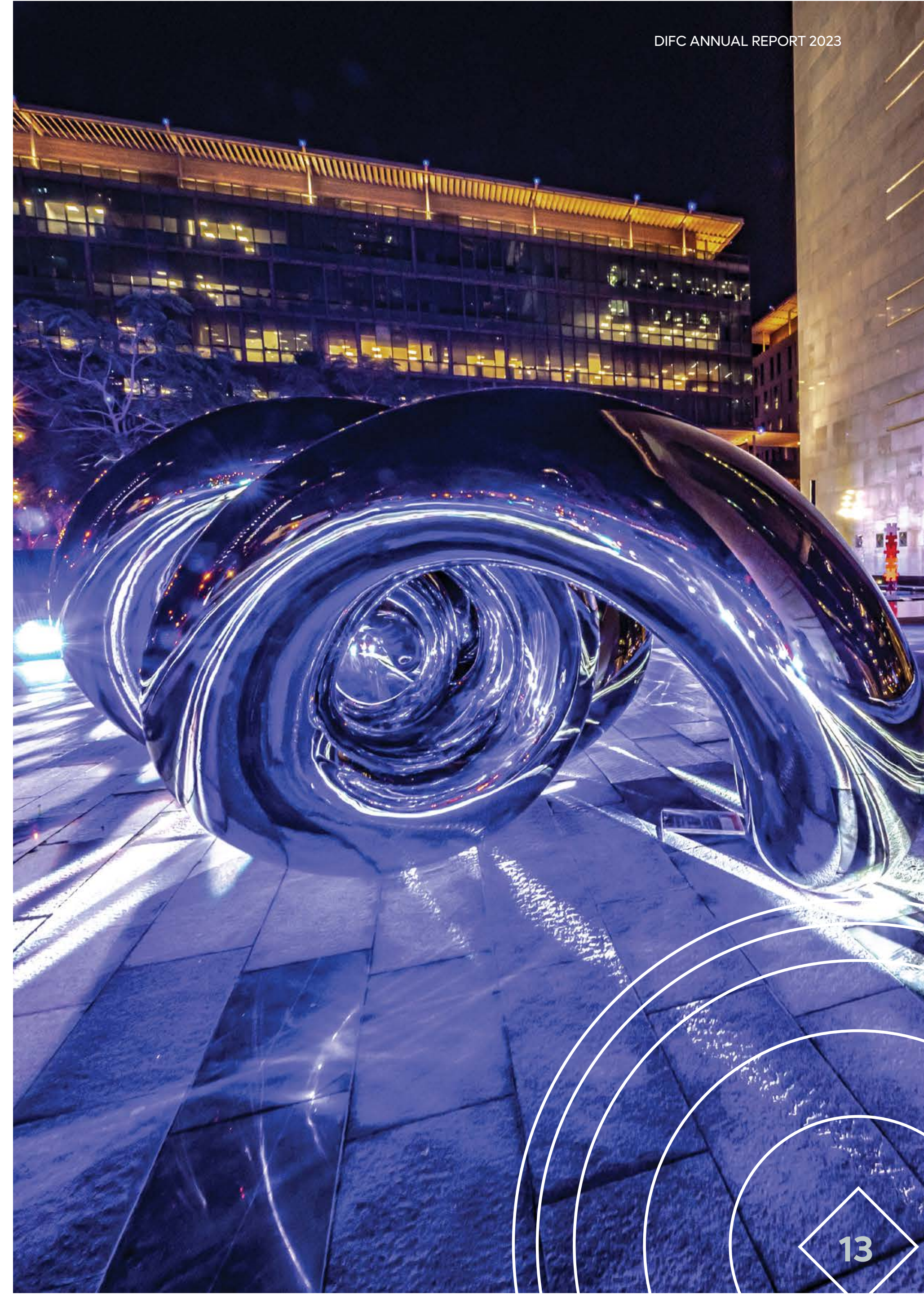
66

New F&B and retail units



12mn

visitors



Championing Sustainability

DIFC led the first and largest action-focused programme for the finance industry relating to climate change during the UAE's Year of Sustainability and ahead of COP28. The programme included a series of events, roundtables, lectures, and educational sessions in association with the Global Ethical Finance Initiative, as well as DIFC's first Future Sustainability Forum.

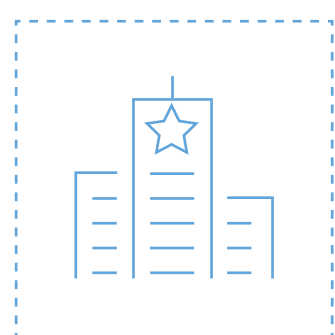
Leading by example, the Centre became the first financial centre in the region to publish its Sustainable Finance Framework, with a positive second party opinion review by S&P Global Ratings.

Other DIFC anchored initiatives included allocating up to 20 per cent of the Dubai Future District Fund to back sustainability-driven tech and innovation start-ups; a carbon credits trading pilot with DFM and chairing the Dubai Sustainable Finance Working Group – which now has more than 40 members. As a founding partner, DIFC also welcomed the second edition of Prototypes for Humanity and issued innovation licences to select projects to help accelerate the next generation of growth and innovation.

DIFC further continued to support growth of the sustainable debt market within Nasdaq Dubai. As an outcome, the exchange emerged as the world's largest ESG sukuk market with more than 60 per cent of US-denominated ESG sukuk and close to 50 per cent of all-currencies' ESG sukuks. Nasdaq Dubai's total value of ESG related issuances stood at USD 27.05bn, contributing to a total value of debt listed on the exchange of USD 128.66bn as of 15 January 2024.

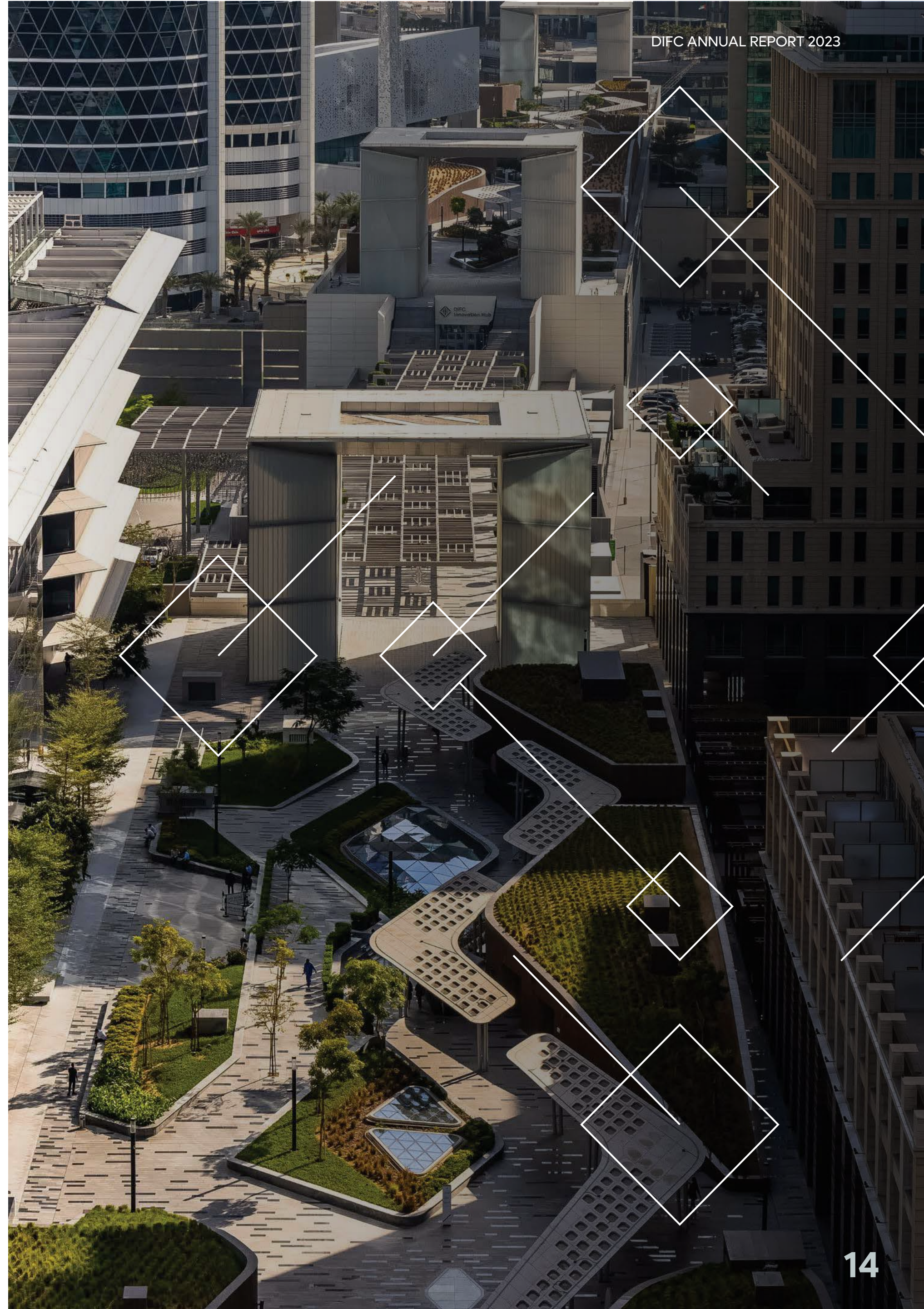
In December 2023, DIFC Sustainable Finance Catalyst was announced, which aims to increase sustainable finance flows from Dubai to USD 100bn. The strategy also includes activating a network of strategic partners to train and grow 1mn sustainability leaders, while growing its sustainability-driven start-up ecosystem to 50 times its current size.

In terms of its built environment, 15 DIFC buildings were awarded Platinum and Gold LEED certification, including DIFC's The Gate, which was recognised with Platinum certification.



15

DIFC buildings were awarded
Platinum and Gold LEED
certification



Tripartite Governance

DIFC, a financial free zone as defined in Federal Law No. 8 of 2004, was established by Federal Decree No. 35 of 2004 concerning the establishment of a Financial Free Zone in the Emirate of Dubai as part of its vision to transform the UAE into a hub for institutional finance and a gateway to attract capital and investments into the region. The following three independent bodies have been established in DIFC to achieve its purpose and objectives.

DIFC

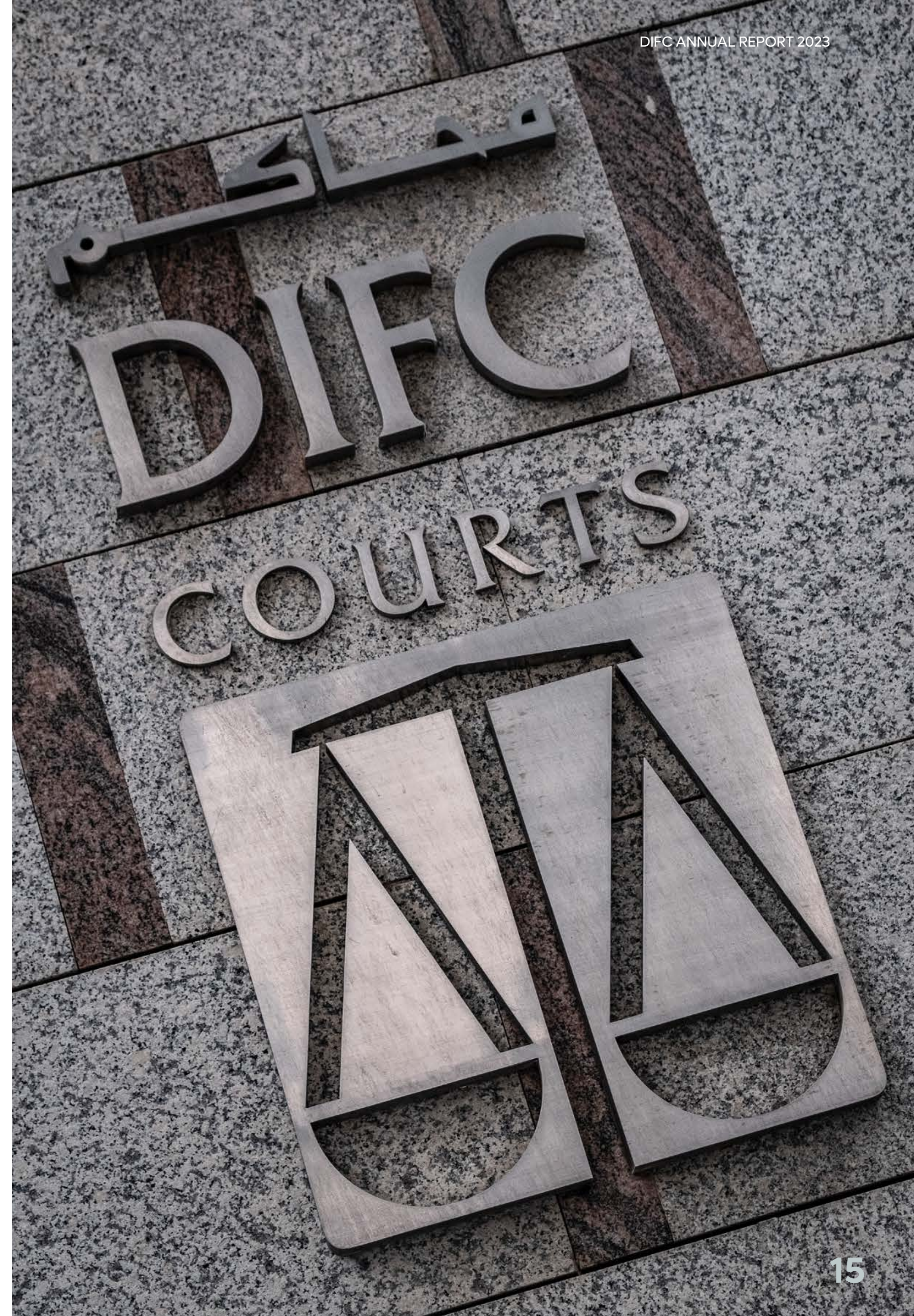
Dubai International Financial Centre Authority (DIFC Authority) was established by Dubai Law No. (9) of 2004, as amended. The DIFC Authority is responsible for the strategy and overall public administration of DIFC. It also is the body charged with the development and administration of laws and regulations other than those relating to the regulation of financial services.

DFSA

Dubai Financial Services Authority (DFSA) was established by Dubai Law No. (9) of 2004, as amended. The DFSA is the independent regulator of all financial services and related activities carried out in and from DIFC.

DIFC Courts

DIFC Courts administers a unique English-language common law system – offering swift, independent justice to settle local and international commercial or civil disputes. The Courts, based in Dubai, provide certainty through transparent, enforceable judgments from internationally recognised judges who adhere to the highest global legal standards. The DIFC Courts are independent of, but complementary to, the UAE's Arabic-language civil law system – offering a choice that strengthens both processes while ensuring public access to world-class justice.





difc.ae