



# ANNUAL REPORT 2021



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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**

Deputy Ruler of Dubai, Deputy Prime Minister, Minister of Finance 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

I am delighted to present the 2021 DIFC Annual Report, covering a year that saw Dubai's economy rebound swiftly and decisively from the impact of the COVID-19 pandemic.

The return to sustained growth across the emirate is due in no small part to the far-reaching vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. His steadfast commitment to supporting businesses, communities and individuals throughout the period enabled the emirate to flourish and helped DIFC deliver its best performance in its 17-year history.

DIFC's 2021 performance reflects a broader picture of confidence as an unparalleled global hub for trade and finance – a hard-earned reputation buoyed by regulatory reform and strategic focus that has served businesses and investors well and enhanced life for those who live in Dubai.

DIFC's ability to continue building a thriving and innovation-led financial community amidst a rapidly changing international environment has enabled it to deliver outstanding results across business sectors. These include banking,

capital markets, insurance, wealth and asset management, professional services, FinTech and innovation firms. The Centre's resilience and unique role have allowed it to drive Dubai's next phase of growth and allow us to further differentiate Dubai as a global hub for financial institutions and their respective value chains.

Following an expansion of its remit and embracing new opportunities, leading regulatory change and encouraging innovation, DIFC has succeeded in growing its socio-economic impact. The historical growth and performance of the Centre and its subsequent multiplier effects across multiple industries leave it exceptionally well-placed to deliver on DIFC's Strategy 2030.

The exceptional performance saw DIFC meet its 2024 strategy growth targets three years ahead of schedule and launch the DIFC Innovation Hub, the largest cluster of FinTech and innovation companies in the region. Along with the establishment of the DIFC Innovation Panel, it provides a powerful framework for inclusive growth over the coming period. I look forward to working with the Board of Directors to realise our fullest potential as a catalyst for Dubai's next phase of growth.



**Arif Amiri**

CEO of DIFC Authority

## CEO's Message

In 2021, DIFC delivered outstanding results, with exponential growth across every business sector, a historic number of new clients, and the highest ever annual revenue and operating profit. It is a performance that all those who work in DIFC should be proud of.

DIFC recorded 996 company registrations in 2021, the highest ever recorded in a single year and more than triple the average number across the last decade. This figure represents a 36 per cent increase from 2020. By year-end, the total number of active companies in DIFC increased by 25 per cent to reach 3,644, reaffirming DIFC's position as MEASA's leading global financial centre.

For the first time, total assets crossed AED 14.80bn (USD 4bn), indicative of the Centre's robust and resilient financial position. It was a year that saw revenue increase by 16 per cent to AED 897mn year-on-year. This compares to AED 774mn in 2020, a 7 per cent increase on the pre-pandemic figure of AED 838mn in 2019.

It is also notable that the total value of banking assets booked in DIFC in 2021 increased to USD 198.5bn from USD 189.4bn in 2020, up by 5 per cent. This figure represents approximately 20 per cent of consolidated UAE financial sector banking assets.

The Centre's FinTech and Innovation landscape continued to flourish in 2021, enriched by the establishment of the DIFC Innovation Hub and Innovation Panel, which brings together global and regional

thought leaders in the Future of Finance from industry, academia and regulation. In addition, an AED 1bn venture capital fund called the Dubai Future District Fund was launched through a collaboration between DIFC and the Dubai Future Foundation, setting out to anchor Dubai as a global start-up and venture capital hub.

Driven by such a comprehensive innovation strategy, over 900 applications were received for the sixth cohort of DIFC FinTech Hive's accelerator programme with participation from FinTech, RegTech and Islamic FinTech start-ups from France, India, Singapore, UK, USA, UK, and the UAE. The selected firms brought key technology innovation themes to life, including Open Banking, SME banking, InsurTech, RegTech, Wallets & Payments, ESG, Credit Scoring, and more. The Centre also saw DIFC FinTech Hive start-ups collectively raising over USD 530mn - an increase of 76 per cent from the prior year (USD 298.8n).

These pivotal developments represent the ambitions of a financial centre that will help Dubai become a global hub for business and innovation, enable DIFC to double in size and accelerate its economic contribution to Dubai's GDP.

I wish to thank our Chairman and the Board of Directors for their vision and determination over the past year. Their collective contributions have helped ensure DIFC delivered for all its stakeholders in a remarkable year for the Centre and those working and living in Dubai.



## DIFC Board of Directors



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



**Abdulla Alturifi Al Shamsi**  
Board Member



**Abdulla Bin Kalban**  
Board Member



**Salem Al Sharhan**  
Board Member



**Ahmad Bin Hassan Al Shaikh**  
Board Member



**Khalfan Belhoul**  
Board Member



**Hesham Al Qassim**  
Board Member



# A YEAR IN REVIEW





“DIFC’s best-ever annual performance reflects Dubai’s position at the forefront of global recovery in the financial sector and the broader economy - a performance that is a testament to the trust that local, regional and global businesses have placed in the Centre as a financial industry hub that promotes growth and business enterprise.”

**His Highness Sheikh Mohammed bin Rashid Al Maktoum**

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





# \$195.5bn

Value of banking assets booked



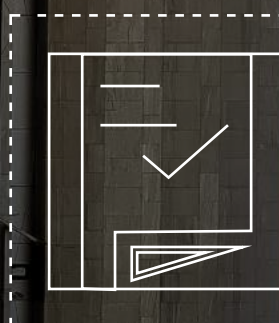
# >26%

YoY profit growth



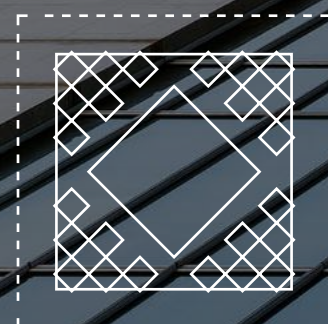
# >16%

YoY revenue growth



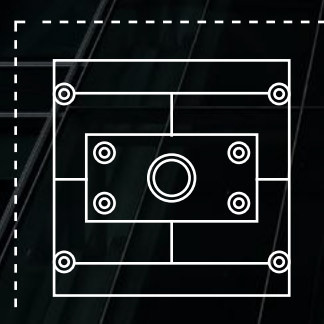
# 996

New company registrations



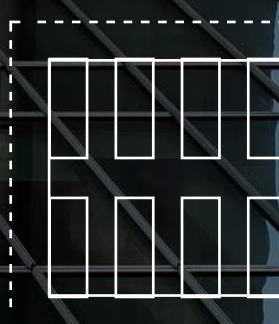
# 3,664

Number of active companies up 25%



# +23%

Financial and innovation firms



# +69%

Lending from DIFC firms



## An overview of an unparalleled year

As a historic year of unprecedented growth at DIFC drew to a close, the value of total banking assets booked at the Centre **increased by 5 per cent to USD 198.5bn**. An additional USD 108.1bn of lending was also arranged by DIFC firms, up from USD 64 on the year prior in 2020, which is an increase of 69 per cent.

DIFC based Wealth and Asset Management portfolio managers invested USD 151.4 bn in 2021 compared to USD 145.6bn in 2020, up by 4 per cent. Gross Written Premiums for the insurance sector reached USD 1.8 bn, rising from USD 1.7bn in 2020, an increase of 8 per cent.

Among its 3,644 entities, DIFC is home to 17 of the world's top 20 banks, 25 of the world's top 30 globally systemically important banks, five of the top 10 asset managers, and five of the top 10 insurance companies, in addition to many leading international law and consulting firms.

The impact that DIFC is making on spearheading Dubai's next phase of growth has been recognised through the receipt of multiple awards in 2021. This includes DIFC FinTech Hive being named one of the 'World's Best Innovation Labs' by Global Finance in 2021. The award reflects the Centre's success in bringing together the best partners, the best minds and the best technologies under one roof to drive forward the digital revolution, not just in Dubai but across the wider region.

## Spearheading Dubai's future economic growth

DIFC's best-ever annual performance in 2021 reflects Dubai's position at the forefront of the global recovery in the financial sector and the broader economy. Having met its 2024 strategic goals three years early, the Centre has delivered on its trajectory for growth and investment and, in doing so, made a significant contribution to Dubai's GDP.

Fundamentally, DIFC has acted as a powerful driver of foreign direct investment during a year of unbalanced global growth, spurring national innovation across fast-growing sectors and throughout Dubai's value chains. Now, as it embarks upon Strategy 2030, the Centre will double down on expanding its transformational role in the emirate.

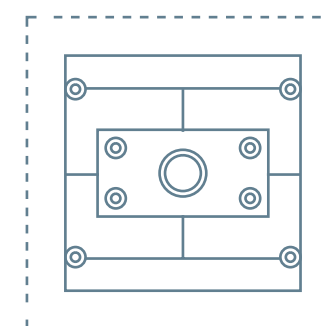
The approval of DIFC Strategy 2030 reflects the Centre's critical role in supporting sustained economic growth across Dubai and its commitment to further differentiating the emirate as a global hub for financial institutions, FinTech businesses and innovation companies. As part of this new Strategy, DIFC launched the DIFC Innovation Hub in 2021 - the largest cluster of FinTech and innovation companies in the region.

DIFC and the DIFC Innovation Hub facility are part of the new Dubai Future District,

announced in January 2020. Following the Innovation Hub's rapid success, DIFC now will quadruple the size of the Hub from 80,000 to 315,000 sq. ft. Accommodating up to 1,000 businesses, the building will have fitted offices, co-working spaces, light F&B outlets in the concourse and fine dining outlets at the rooftop level.

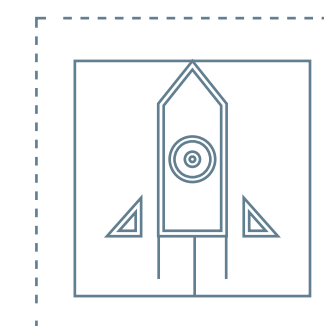
More than 500 technology and innovation firms, ranging from start-ups to global unicorns, are now based in DIFC, representing over 60 per cent of all those across the entire GCC. To accelerate the UAE's digital economy and demonstrate its commitment to driving the future of finance, DIFC hosted its first Blockchain Week at the DIFC Innovation Hub in 2021, bringing together innovators and specialists to explore transformational topics such as encrypted banking services, digital assets, smart contracts, digital assets regulation, as well as the investment landscape for innovation.

DIFC also increased the number of participants in its AccelerateHer programme in 2021, bringing together 21 new candidates from financial institutions for its second cohort and taking the total to 40 women in 2021. DIFC FinTech Hive first launched AccelerateHer in 2019 to develop female talent in the financial technology and innovation sectors. The programme has successfully supported over 70 participants with one-to-one mentorship, workshops and networking opportunities.



# >500

New technology and innovation firm



# 70

AccelerateHer participants



## Market-leading legal and regulatory frameworks

A modern, transparent, adaptive approach to maintaining a robust regulatory framework is at the heart of DIFC's operations. In 2021 the Centre introduced and updated laws and regulations to support its position as the leading global financial centre in the MEASA region.

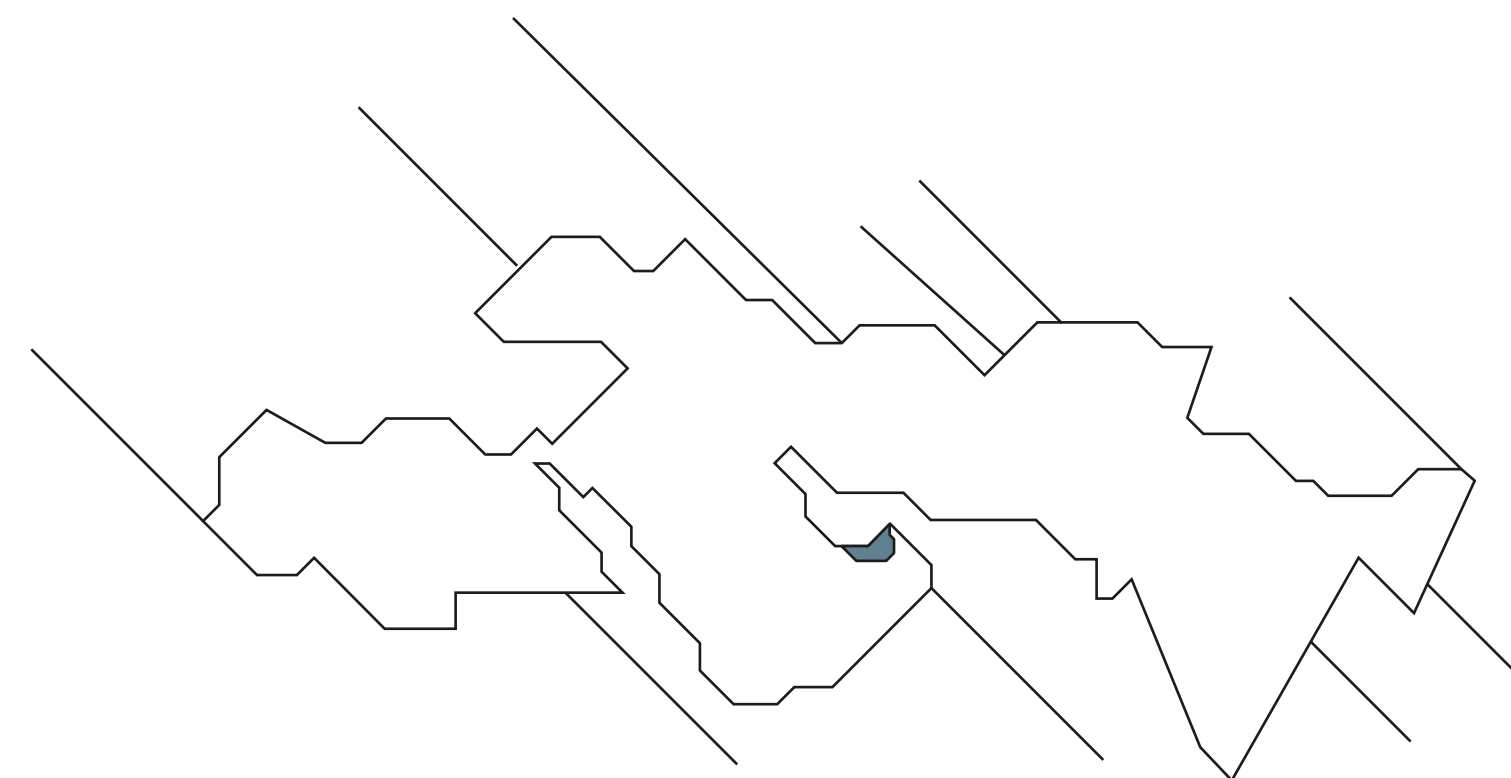
His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai issued Law No. (5) of 2021, which has replaced Dubai Law 9 of 2004 - the original founding law of the DIFC. The new law expands the Centre's objectives by providing greater clarity on the duties and responsibilities of the President, the Governor and the regulatory bodies within DIFC. This important development helps to ensure the DIFC's operational, financial and administrative independence.

To ensure that doing business within the Centre is as easy and efficient as possible, Employment Law Amendment Law No. (4) of 2021 was enacted, which clarified the application of limitation periods to claims made under the Employment Law. Amendments to the employment regulations brought the Qualifying Scheme regime under the Employment Law, in line with DFSA's Employee Money Purchase Scheme, so that only a single layer of regulation is applied to these schemes.

DIFC also announced new Intellectual Property Regulations (IP Regulations), which took effect 5 July 2021. The introduction of the regulations reflects the Centre's continuing commitment to maintaining a transparent and robust legal and regulatory framework aligned with global best practices. It also supports DIFC's focus on fostering innovation by identifying and protecting intellectual property rights, which is of key importance to technology and start-up companies.

The regulations provide further clarity on the powers and functions of the Commissioner of Intellectual Property and outline the process and requirements for filing intellectual property infringement complaints, inspections and investigations in connection with violations of the IP Law.

In 2021, the DFSA authorised 50 firms. The DFSA also introduced a regulatory framework for investment tokens and consulted on the introduction of credit funds, both of which will enable further growth in the Centre. Additionally, the DFSA continued to support and engage with firms within DIFC through targeted outreach programmes, such as the Cyber Risk Forum, RegTech Live and the Annual Audit Outreach.



## Collaborating for Dubai and the industry's benefit

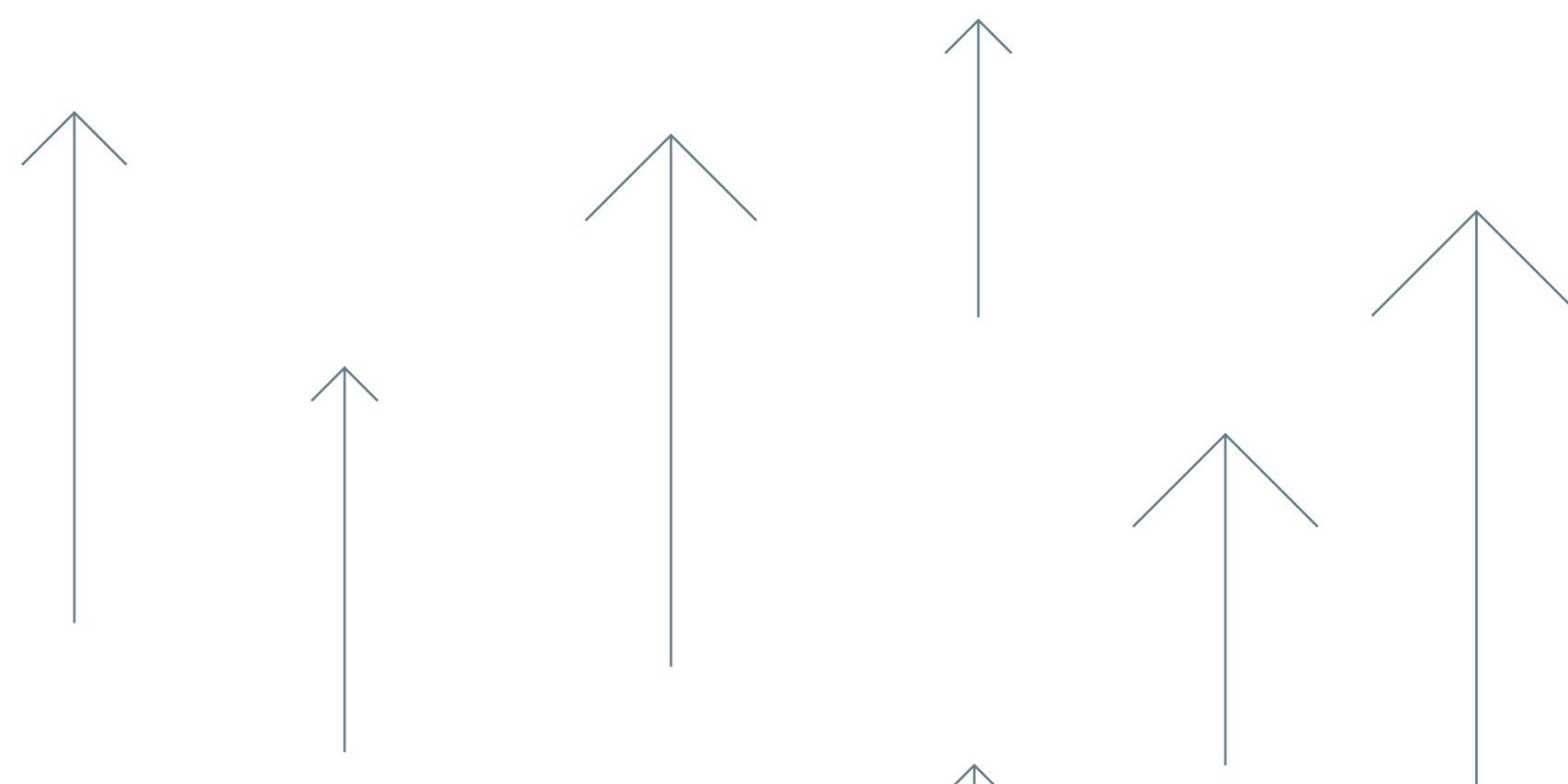
In 2021, 16 MoUs were signed with strategic partners to strengthen the Centre's partnership with the Ministry of Economy, Mohammed Bin Rashid Space Centre, MENA Fintech Association, Mastercard (Cyber and Intelligence Solutions), Department of Economic Development (now called DET) and Centre for the Fourth Industrial Revolution (C4IR) with Dubai Financial Services Authority (DFSA).

These relationships are an integral strategic driver of innovation and underpin how DIFC will continue to strengthen the UAE's competitiveness by collaborating closely with the Central Bank of the UAE to drive the digitisation of the UAE's financial sector.

As part of this core objective, both governors signed an MoU at the Future of Finance event at Expo 2020 to cooperate in the fields of FinTech and digital transformation within the financial sector. The agreement includes events and industry forums and a range of joint projects and initiatives such as advancing Open Finance, developing a co-sandbox and FinTech talent development.

The Dubai Future District Fund was announced in 2021, an initiative to build an innovation-driven start-up ecosystem to enhance the global competitiveness of Dubai's future economy. The Fund focuses on supporting efforts to implement the directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum to establish 1,000 tech companies in the country within five years.

As part of its mandate, the Fund will invest in key initiatives, including Dubai Future





# The future is here

Accelerators, DIFC FinTech Hive and Venture Builder Studios. DIFC-based businesses focused on innovation, and the new economy will benefit from the Dubai Future District Fund and, in turn, contribute to Dubai's economic growth.

The Centre's place on the world stage continued to advance in 2021 after hosting the annual general meeting for the World Alliance of International Financial Centres (WAIFC), which was attended by 35 representatives. This was the first time that leaders from financial centres across the globe have chosen to convene in Dubai, providing DIFC with an opportunity to showcase the DIFC Innovation Hub and FinTech Hive, in addition to hosting a gathering at the Dubai Expo 2020.

Being a member of WAIFC reflects DIFC's commitment to sharing industry knowledge with other financial centres around the world and has enabled the Centre to showcase its work in driving the future of finance with WAIFC members in areas such as FinTech, Innovation, Sustainable Finance and the development of Digital Economies.

## A magnet for financial talent

Employment at DIFC grew by 11 per cent to 29,700, with a net increase of around 3,000 employees - the highest net growth in over a decade. These jobs represent a highly-skilled workforce across 150 nationalities who have the highest contribution to GDP per person across all economic sectors in Dubai.

To help industry talent with their professional development, the DIFC Academy expanded its list of partners that focus on compliance and anti-money laundering (AML). The Academy partnered with K2 Integrity, a leading US compliance and investigations firm, and the Society of Corporate Compliance and Ethics to provide certified programmes for the compliance and ethics profession.

Additionally, the DIFC Academy signed a partnership agreement with The Emirates Institute for Banking and Financial Studies (EIBFS), a regional leader in banking and finance education and training. The Academy now has 31 active global and regional partnerships to support professional development in finance, the future of finance, legal and management.

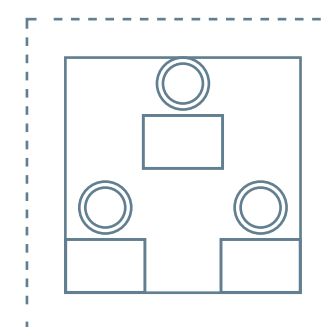
DIFC accelerated its work in building skills development and inclusion to help Dubai maintain its global role as a leading hub for diversity in innovation and enterprise.

In November 2021, DIFC launched its first-ever DIFC Future Talent Week under the theme 'Talent of Tomorrow'. The week's agenda included a series of events in collaboration with educational institutions, world-renowned corporations, start-ups, and government bodies to explore best practices in shaping future talent and preparing professionals

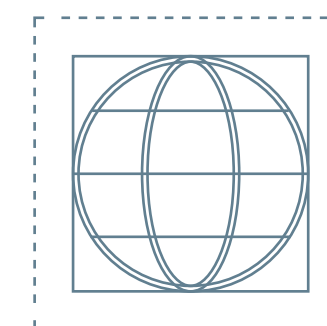
for tomorrow's job market. More than 40 companies participated, including Emirates NBD, Mashreq, Commercial Bank of Dubai, Standard Chartered Bank, Citibank, EY, PWC, McKinsey & Company, Marsh, Microsoft, Noon, Talabat, Michael Page, DIFC Courts, Tabby, CoinMena, BitOasis, Mamo, YAP, Stake, Hala, Sarwa and Beehive.

The event also saw some of the world's top establishments participate at the Career Fair, including LinkedIn, Microsoft, Meta, Mashreq and Michael Page. In addition to offering young talent the chance to network with future employers and explore potential job and internship opportunities with listed partners, attendees also benefitted by gaining visibility on the nature of 21st-century workplace skills.

To Centre also announced that close to 20,000 DIFC employees had enrolled on the DIFC Employee Workplace Savings (DEWS) plan, launched in 2020. The plan - the region's first employee savings scheme - reached US\$127 million in assets under management in its first year, with a substantial number of employees also choosing to make additional voluntary contributions from their salaries, demonstrating widespread trust in a medium-to-long-term savings plan that allows employees to plan for life events such as their retirement.



**3,000**  
New employees



**150**  
Nationalities  
working at DIFC



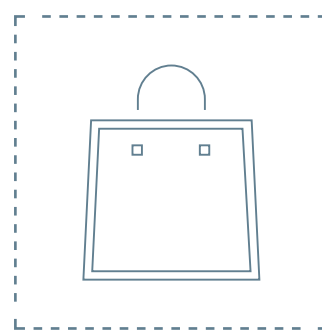
## One of Dubai's leading destinations

As a destination, DIFC is widely recognised as a vibrant business and leisure community, thanks to its 367 retail and dining outlets, of which 80 were newly opened in the Centre in 2021.

The Centre also entered into an agreement with Dubai Festivals and Retail Establishment to promote Dubai's key festivals, which will help raise Dubai's profile as a global destination.

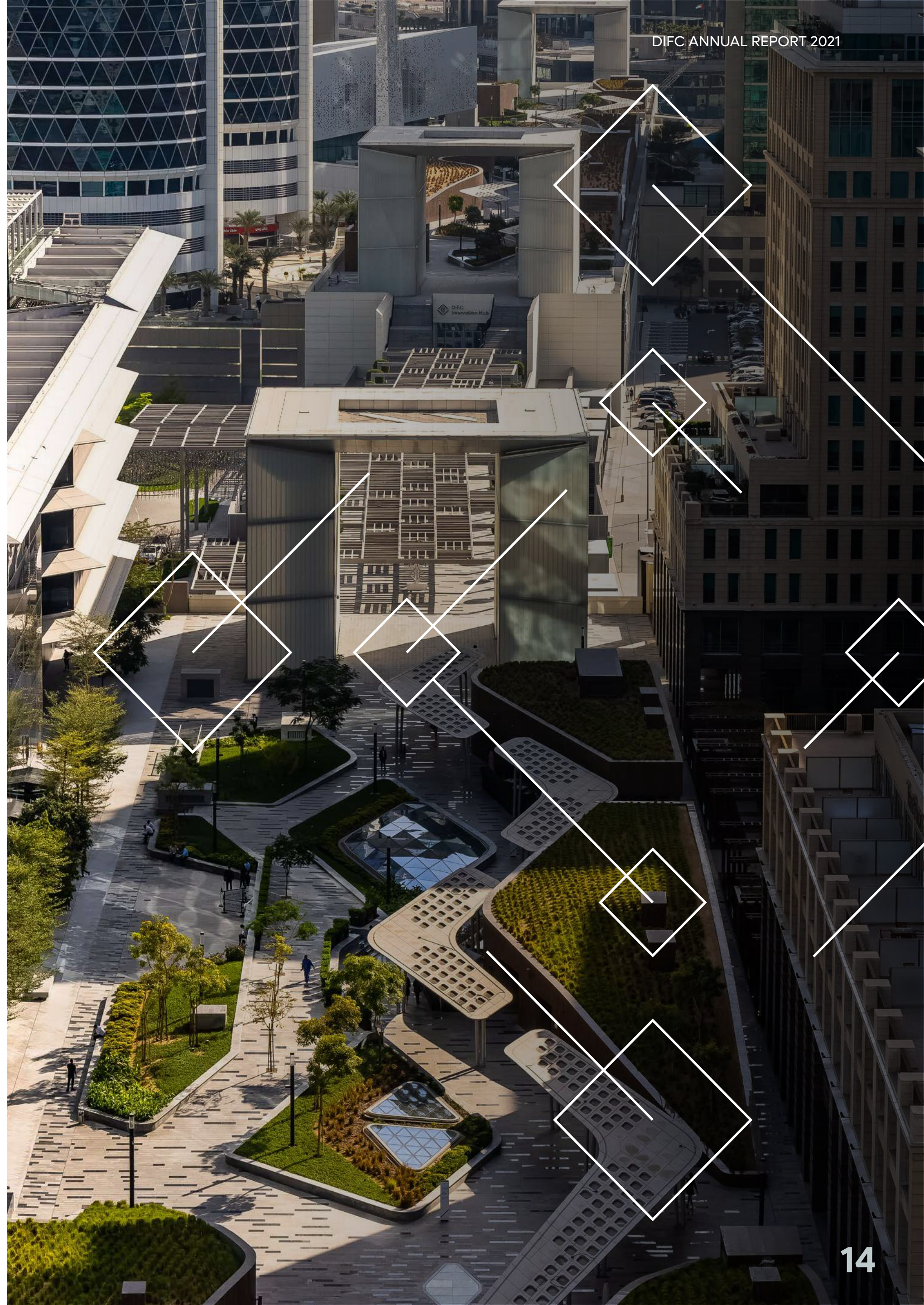
As the year progressed, DIFC hosted several art and cultural events following the easing of COVID-19 restrictions, including the prestigious Art Dubai, the first in-person international art fair to occur since the pandemic began.

Reaffirming the fair's commitment to providing a physical platform and marketplace for artists and galleries worldwide, visitors could explore galleries from across the Middle East and Asia, including Lebanon, Palestine, Turkey, Saudi Arabia, India, Vietnam and the Philippines.



# 80

New retail and dining outlets

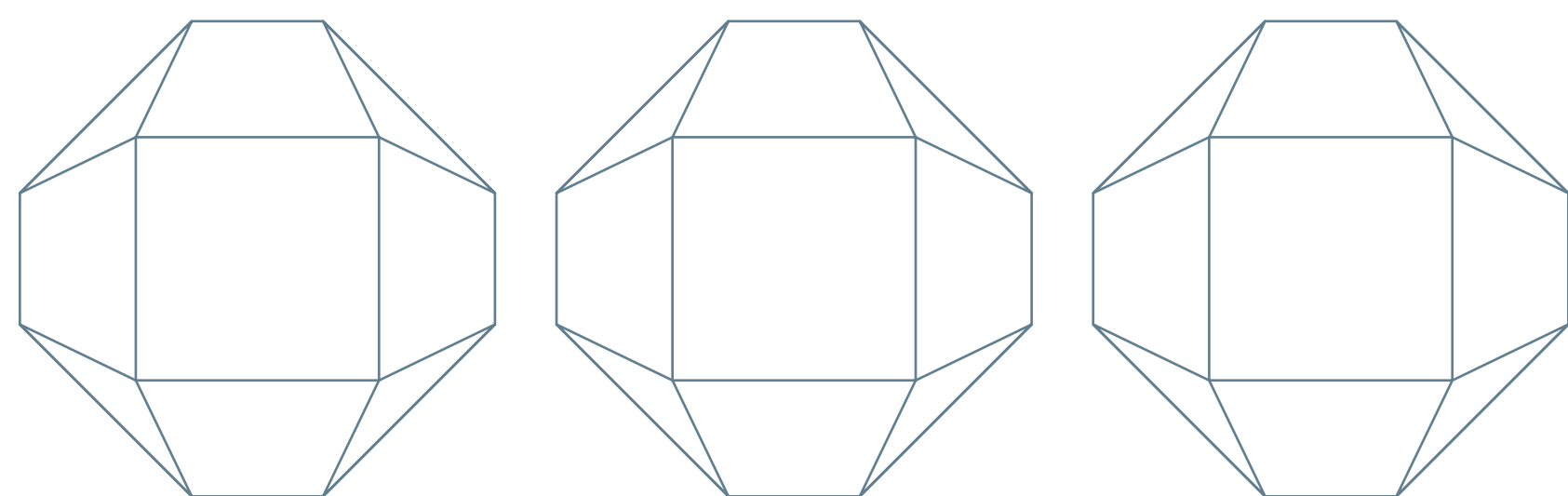




# Governance

## DIFC Three Bodies structure

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.



## Structure

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.

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 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.

Law No. (5) of 2021 has now replaced Dubai Law 9 of 2004 - the original founding law of the DIFC.





# Sustainability

In 2021 work was done to guide and inform issuers and investors about best practices in the rapidly expanding ESG sector and the commercial opportunities it offers. To achieve this, the Dubai Sustainable Finance Working Group published two comprehensive guides as part of Dubai's efforts to accelerate its leading position and expansion of Environmental, Social and Governance (ESG) and sustainable finance in the UAE and wider region.

The Sustainable Issuance Guide details the steps involved in issuing ESG bonds, Sukuk, equities and other financial products, as well as outlining the need for companies to develop a sustainability strategy, whilst the Sustainable Investing Guide highlights the increasing ESG opportunities for investors as companies and the financial markets pivot towards integrating sustainability into their mainstream activities.



DIFC 

[difc.ae](http://difc.ae)