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DIFC

Wealth and asset management outlook

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Content

Message from **DIFC**

Arif Amiri
Chief Executive Officer
DIFC Authority

Dubai has the highest concentration of wealth across all cities in the Middle East and provides access to the USD 10.5trn economies of the region. As a result, the opportunities for firms that can support the needs of these emerging wealth centres are significant.

As a global centre for wealth, Dubai's reputation has been steadily growing. This has resulted in successfully attracting new wealth from established markets in Europe, South Asia, and the Asia-Pacific region, illustrating the emirate's growing appeal and competitiveness within global markets.

In response, we have seen more than 400 wealth and asset management firms establishing in DIFC, further solidifying the Centre's position as a leading financial hub.

Dubai has a double advantage for wealth management because the city provides access to vast pools of both public and private capital. The city is a neutral location accessing over 40 regional sovereigns, including Dubai's own the Investment Corporation of Dubai and Dubai Investment Fund. Clients can also tap into USD 3.5trn worth of private capital pools, since Dubai is capital of private capital - the city is home to region's highest concentration of wealth.

Thanks to its extensive competitive advantages, which include a robust regulatory environment, a dynamic and diverse ecosystem, and a strategic location that bridges east to west, DIFC provides a tax-efficient environment, world-class infrastructure, and access to a broad network of regional and international investors.

Looking ahead, the outlook for Dubai's wealth and asset management sector remains positive. As the emirate continues to evolve and adapt to the global financial landscape, we anticipate further growth and development in the sector. As such, we remain committed to fostering a conducive environment for wealth and asset management firms, while simultaneously supporting Dubai's economic growth.

This report highlights the significant strides Dubai and DIFC have made in the wealth and asset management sector, as well as our outlook for future growth and sectoral opportunities. In summary, we look forward to developing our position as a leading global hub for wealth and asset management, while driving greater efficiencies through the integration of new technologies.

Executive summary

Global financial wealth saw a 7 per cent rebound in 2023, reaching USD 275trn following a downturn in 2022, according to data from Boston Consulting Group. Further recovery will be fuelled by an improved macroeconomic outlook and the positive momentum in equity markets. Global financial wealth is projected to reach USD 367trn by the end of 2027.

As macroeconomic conditions eased, cross-border wealth rose by 5.1 per cent to reach USD 13trn in 2023. Notably, the UAE has emerged as a highly regarded booking centre, attracting asset inflows from the Middle East and Africa. As a result, financial wealth in the UAE is projected to grow by 7.7 per cent annually through 2028.

Dubai has positioned itself as a preferred base for high-net-worth individuals (HNWIs) and family offices, rapidly emerging as a secondary domicile for private capital. With a conducive business environment, robust infrastructure, strategic location, and favourable tax structure, Dubai appeals to investors seeking diversification across different regions, while the DIFC Family Wealth Centre provides a dedicated facility for innovative solutions that seek to preserve and grow family businesses and wealth.

The global wealth and asset management sector is poised for a rebound, with AUM projected to grow by a CAGR of five per cent to USD 147.3trn by 2027. Emerging markets in the Middle East, Africa, and Asia-Pacific are expected to drive this recovery.

The wealth and asset management sector is also experiencing a significant transformation driven by a bullish outlook for private markets and ESG investments. These asset classes are projected to yield higher returns than traditional markets, leading to increased demand. By 2027, private markets are expected to account for 50 per cent of global wealth and asset management revenues worth USD 622.1bn, compared to 10.6 per cent in 2022.

There is also a significant shift towards ESG-related AUM, which are projected to reach USD 33.9trn by 2026, reflecting 21.5 per cent of total global AUM and a five-year CAGR of 12.9 per cent. Due to their superior returns over the market, investors are willing to pay higher fees for ESG funds and are open to linking compensation to ESG performance.

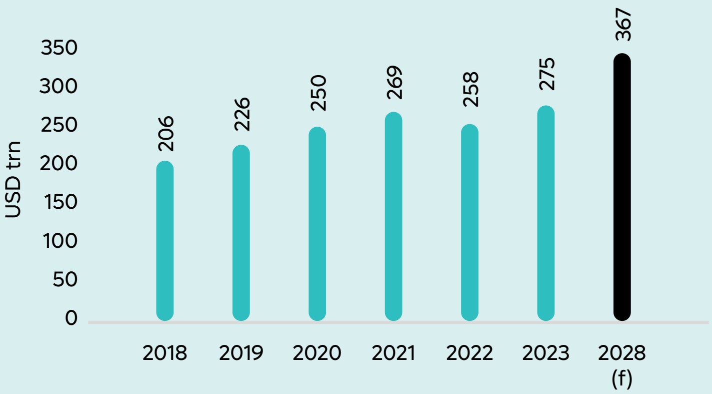
Another driver of WAM growth, generative artificial intelligence (GenAI) and robo-advisors, are already being leveraged by more than 90 per cent of wealth and asset management players to enhance investment performance. Traditional wealth management firms are partnering with robo-advisors to enhance their efficiencies and expand client bases. Consequently, robo-advisors are projected to see an increase in AUM to USD 5.9trn by 2027.

The UAE has been actively enhancing its alternative investment market. In 2023, there was a significant influx of major global alternative investment management firms, including hedge funds, setting up a presence in DIFC to access an estimated USD 8trn of private wealth across the MEASA region. Moreover, DIFC's landmark partnership with the Alternative Investment Management Association (AIMA) emphasised the Centre's commitment to innovation and cross-border cooperation.

ESG investments have gained prominence globally, with the Middle East and Africa showing increased interest in ESG investment products, particularly Sharia-compliant funds, presenting an opportunity for UAE-based managers to create new ESG funds, supported by legislation and government focus on sustainability. In addition, with high adoption rates of digital assets observed among HNWIs and institutional investors, Dubai's digital asset-friendly regulatory environment, including the world's first Digital Assets Law enacted in March 2024, positions it as an attractive base for digital asset investment.

GLOBAL FINANCIAL WEALTH OVERVIEW

Global financial wealth 2017 - 2027



Source: Boston Consulting Group

UAE as a booking centre

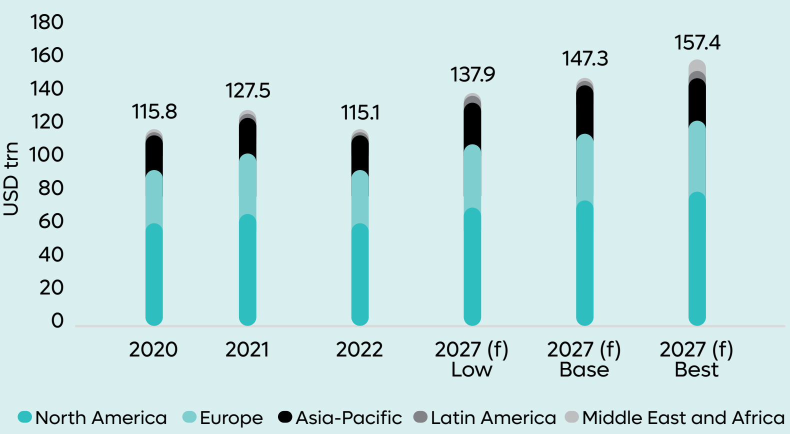
2023 ranking | **7**

2023 - 2028 CAGR | **7.7%**

Top source region | **Middle East**

OUTLOOK FOR WEALTH AND ASSET MANAGEMENT

Global AUM by region 2020 – 2027



Sources: PwC Global AWM & ESG Research Centre, LSEG Lipper, Preqin

Growth drivers

Increasing preference for private markets

Shift to ESG-related AUM

AI disruption / Robo-advisory

OPPORTUNITIES FOR WEALTH AND ASSET MANAGEMENT IN DUBAI

Growing investor and fund manager base

- **Influx of HNWIs**
- **New hub for family wealth**
- **Expansion of international wealth and asset management players into Dubai**

Increased openness to alternative asset classes

- **ESG investments**
- **Digital assets**

Global financial wealth overview

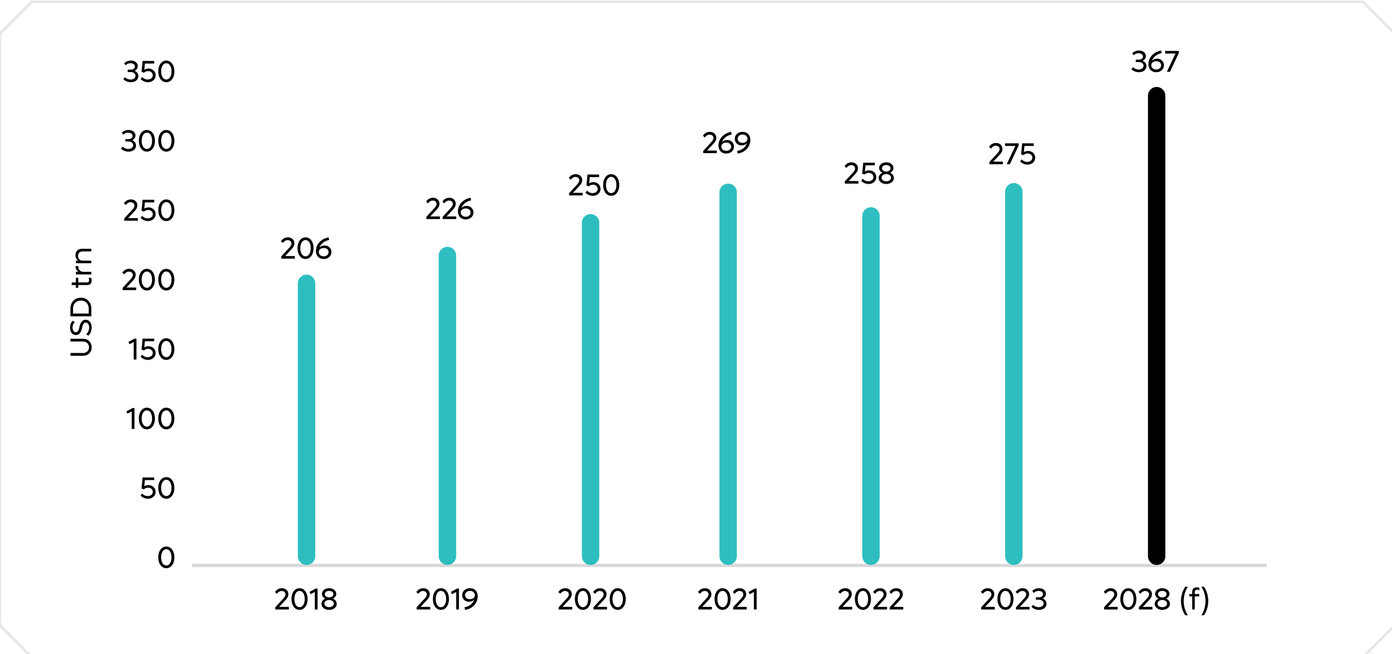

RESUMEN REAL
1E+02
6E+01
9E+01
3,2E+01
Entretenimiento
Artículos personales
Comida
Viajes

Global financial wealth totalled USD 275trn at the end of 2023, growing by almost 7 per cent from 2022. This rebound followed a 4 per cent dip in the preceding year, according to the BCG Global Wealth Report.

The recovery was largely driven by the robust performance of global equity markets. Equities saw a 15.8 per cent growth, spurred by strong corporate earnings and a drop in global inflation in 2023 from 7 per cent to 4 per cent. North America emerged as one of the fastest-growing regions, contributing over 50 per cent of all new financial wealth in 2023, thanks to a significant recovery in the stock market.

Looking ahead, global AUM are anticipated a revert to historical averages, with the positive momentum in equities, decreasing inflation, and stabilising interest rates leading the way. Given these conditions, it is projected that global financial wealth will hit USD 367trn by the end of 2028, indicating a five-year CAGR of 6 per cent.

Global financial wealth 2018 - 2028



Source: Boston Consulting Group

Booking centre dynamics shift in favour of emerging markets

North America was the fastest-growing region, making up more than 50 per cent of all new financial wealth in 2023, driven by a huge recovery in the equity market. Other regions such as the Middle East, Africa, Eastern Europe and Central and Latin America saw similar growth of about 8 per cent. Meanwhile, the rebound was not as strong in Western Europe and Asia-Pacific at 4 per cent and 5 per cent, respectively.

The Asia-Pacific region is expected to see the most significant increase in financial wealth by 2028, making up 29 per cent of global financial wealth, up from 17 per cent in 2023.

Cross-border wealth increased by 5.1 per cent in 2023, reaching USD 13 trn. Significant changes were also observed in the dynamics of booking centres, with some regions experiencing more robust growth than others.

The most notable growth dynamics emerged in the UAE. In 2023, the country saw higher growth in financial wealth than any other booking centre, at 9 per cent, attracting inflows from the

Middle East and Africa. Financial wealth in the UAE is projected to grow by a robust 7.7 per cent annually through 2028.

The UAE has emerged as a highly regarded booking centre, offering an attractive environment for both banks and investors, as demonstrated through increased asset inflows. It is currently the world's seventh largest booking centre and is on a trajectory to become the sixth largest by 2028.

The UAE's appeal stems from its business-friendly, regulatory environment, which has attracted family offices and investments in assets such as real estate. Several international financial institutions have already established a presence in the UAE in anticipation of strong growth in both onshore and cross-border wealth. Moreover, local UAE banks have been exploring opportunities to expand their booking capabilities outside the Middle East, targeting Switzerland, the UK, and Singapore as cross-border hubs to enhance their service offerings to local clients.

Top 10 booking centres and their corresponding top source region

Booking Centre (USD trn)	2022	2023	2028 (f)	Ranking 2028	CAGR 23-28	Top source region 2023
Switzerland	2.4	2.6	3.1	2	3.6%	Western Europe
Hong Kong	2.2	2.4	3.2	1	6.0%	Asia-Pacific (excl. Japan)
Singapore	1.5	1.7	2.5	3	8.5%	Asia-Pacific (excl. Japan)
US	1.1	1.3	1.8	4	6.9%	Latin America
UK mainland	0.7	0.9	1.1	5	3.8%	Western Europe
Channel Islands & Isle of Man	0.6	0.7	0.7	7	2.7%	Western Europe
United Arab Emirates	0.5	0.6	0.8	6	7.7%	Middle East and Africa
Luxembourg	0.5	0.5	0.7	8	4.6%	Western Europe
Cayman Islands	0.4	0.4	0.5	9	4.4%	North America
Bahamas	0.4	0.4	0.5	10	4.7%	North America

Mature markets   Growth markets

CAGR Average = 5.3%

Source: BCG Global Wealth Report 2023

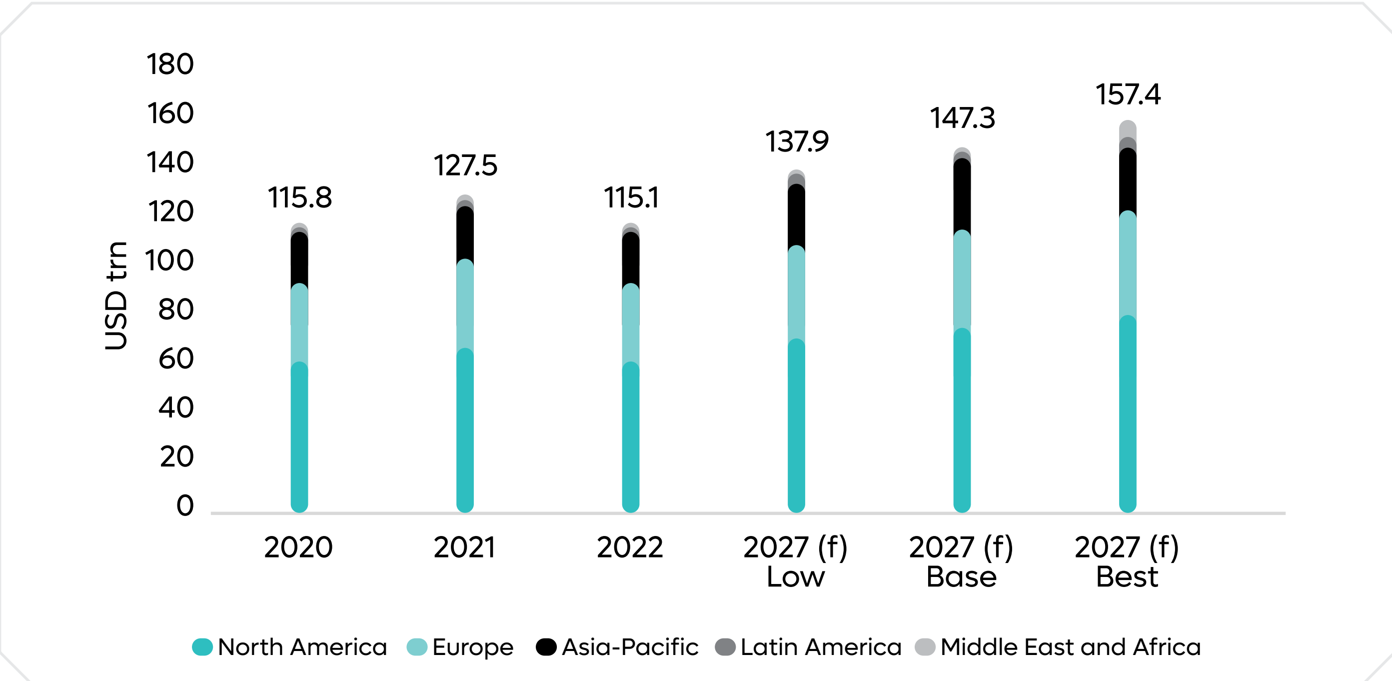
Outlook and opportunities for wealth and asset management

The settling of market conditions and improving economic fundamentals provide a positive outlook for the global wealth and asset management sector. The recovery of global AUM will likely be driven by developing markets such as the Middle East, Africa, and Asia-Pacific.

Outlook for the wealth and asset management sector

Inflation, market fluctuations, and shifts in interest rates are expected to be the primary concerns for both investors and asset management firms over the next 12 months. The sector is, however, set for a rebound with AUM projected to grow by a CAGR of 5.1 per cent to USD 147.3trn by 2027, according to PwC's 2023 Global Asset and Wealth Management Survey.

Global AUM by region 2020 – 2027



Sources: PwC Global AWM & ESG Research Centre, Refinitiv Lipper, Preqin

Frontier and emerging markets in the Middle East and Africa regions are expected to lead this growth in AUM alongside Asia-Pacific markets, with growth rates up to 2027 exceeding that for North America. While the expansion of the wealth and asset management sector in the Middle East has so far been limited, momentum is expected to build as wealth and asset management firms flock to the region to tap into its growing public and private capital.

Drivers of future growth in a shifting landscape

A significant transformation is underway in the evolving landscape of the wealth and asset management sector. This shift is being driven by a bullish outlook for private markets and ESG investments, which are projected to generate higher-than-traditional market returns, resulting in growing demand.

Investor preference for private markets increases, seeking alpha and diversification

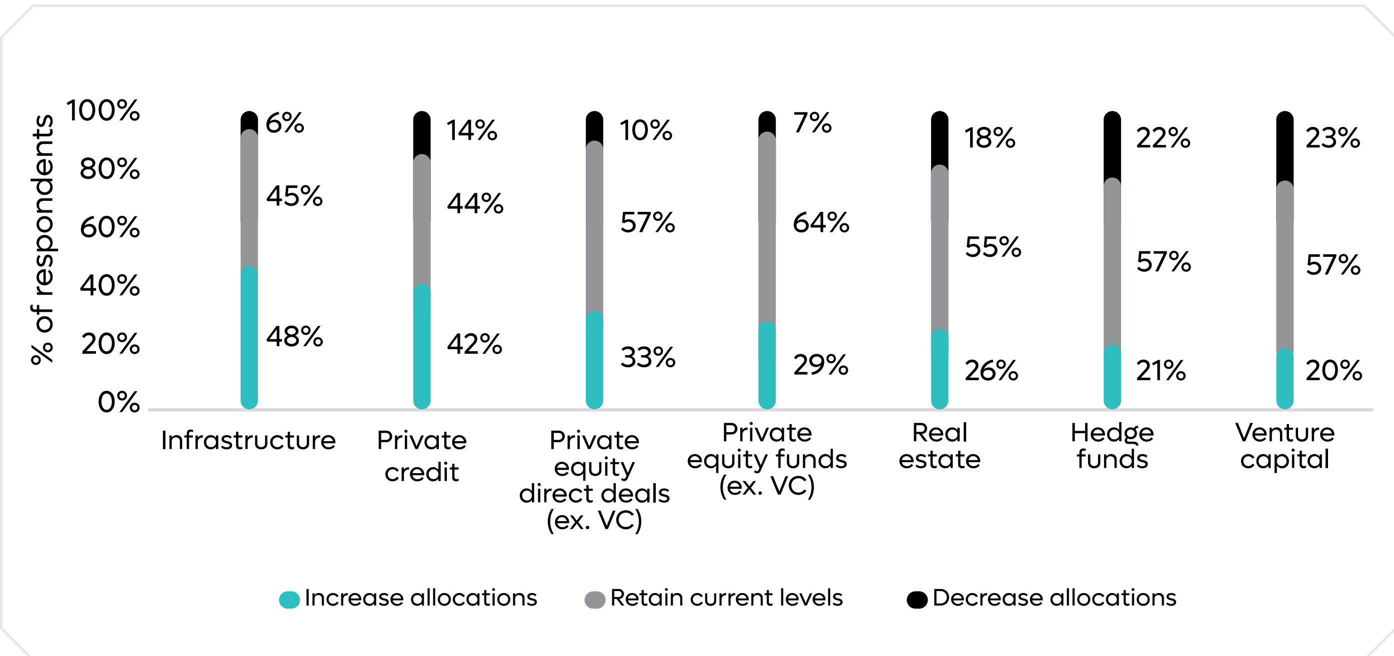
Global wealth and asset management revenues are expected to reach an estimated USD 622.1bn by 2027, with PwC expecting this growth to be primarily driven by a sustained increase in private market revenues. These revenues are expected to constitute about 50 per cent of the market by 2027, up from just 10.6 per cent in 2022.

As investment strategies become more sophisticated, private credit, private equity, infrastructure and real estate are now being seen as integral components of contemporary investment portfolios. The traditional 60/40 equity-bond asset allocation model has been largely abandoned by sophisticated investors, whereas private assets constituted an average 24 per cent of portfolios, according to BlackRock's 2023 Global Private Markets Survey.

The BlackRock survey also revealed that 43 per cent of respondents planned to `significantly increase' their private equity holdings. This trend may have been partly due to many institutions having to reduce their investments in 2023 due to plummeting public valuations, leaving investors overweight in private markets.

Family offices had a bullish outlook on infrastructure in 2023, with a net 42 per cent of survey respondents expecting to increase their allocations in this asset class, significantly higher than for any other asset class represented in the survey. Investments in infrastructure typically provide income, inflation protection, and diversification, which can help address the main challenges faced by family office investors in volatile markets.

Expected changes to alternative investment allocations in 2023



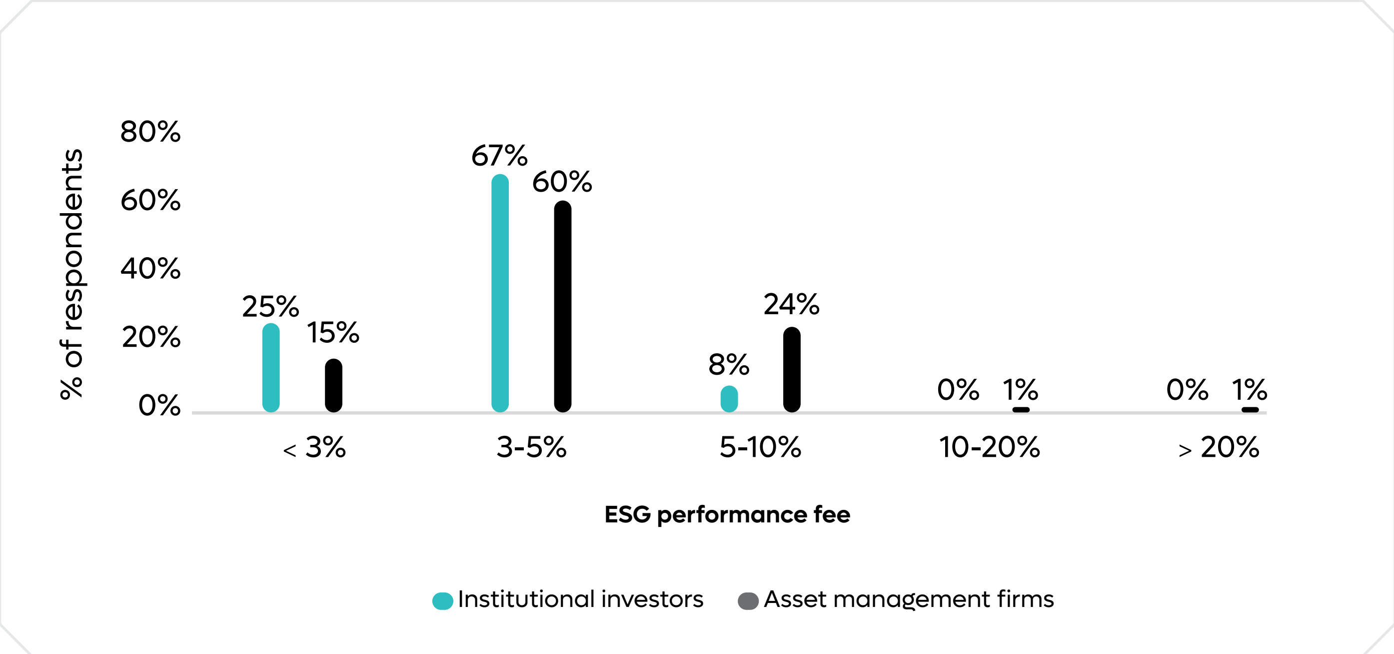
Source: BlackRock Global Family Office Survey, January 2023

Superior returns drive ESG demand, sparking potential for ESG premium on fees

The wealth and asset management sector is seeing a significant shift towards ESG-related AUM, which are projected to grow faster than the overall market. It is forecast that by 2026, asset management firms worldwide will expand their ESG-related AUM to USD 33.9trn, reflecting a five-year CAGR of 12.9 per cent, according to PwC's Asset and Wealth Management Revolution 2022 report. ESG assets are set to represent 21.5 per cent of global AUM by 2026.

According to a PwC survey, a significant 78 per cent of respondents said they were willing to pay higher fees for ESG funds, while a further 52 per cent of investors would be willing to link compensation to ESG performance, or to incorporate ESG into performance-related fees. Two-thirds of this group said they would pay an ESG premium of 3-5 per cent, while 57 per cent of asset management firms said they were considering the implementation of ESG-based performance fees, with 60 per cent deeming a range of 3-5 per cent to be acceptable.

Investor and asset management firm preferences for ESG-based performance fees



Source: PwC Global ESG and AWM Market Research Centre, ESG Global

As demand for ESG investment products surges, investors still face a shortage of suitable ESG investment opportunities. The survey showed 88 per cent of institutional investors believe asset management firms should take a more proactive approach in developing new ESG products, but just 45 per cent of asset management firms plan to launch new ESG funds.

Instead, the immediate priority for most asset management firms surveyed (76 per cent) is to convert and relabel existing products to be labelled as 'ESG-oriented', likely due to the lower cost. This would involve adjusting existing investment products to comply with the Sustainable Finance Disclosure Regulation (SFDR) Articles 8 and 9 in the EU or to align with stakeholder expectations.

AI disrupting wealth and asset management operations, encouraging robo-advisor partnerships

Harnessing technologies such as generative artificial intelligence (GenAI) and robo-advisors has become critical for wealth and asset management firms to remain relevant and grow in an evolving market. Wealth and asset management firms are also confronting escalating pressures from cost inflation and margin compression, coupled with surging investor expectations for speed, efficiency, and seamless experiences.

Over 90 per cent of asset management firms are already leveraging these innovative technologies to bolster investment performance, while working to create technology platforms that can harmonise brand experiences and swiftly respond to shifting client demands.

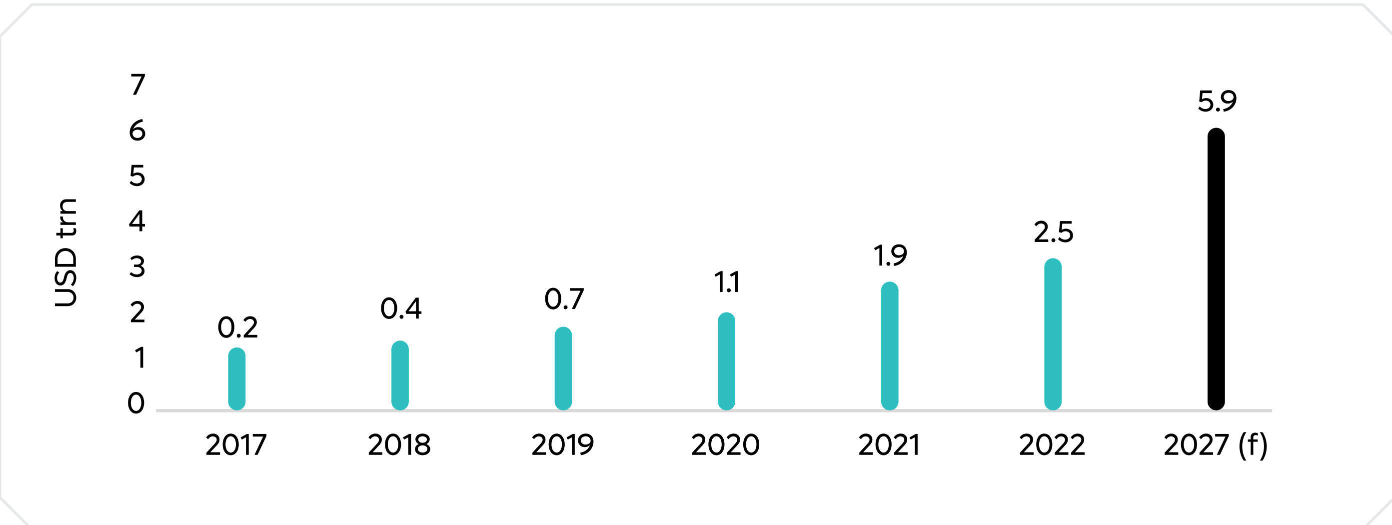
Internally, firms are intensifying the integration of their front, middle, and back-office systems, standardising their operational models, and reevaluating end-to-end workflows. Externally, application programming interfaces (APIs) and data interoperability are tapping into the potential of ecosystems offered by technology and service providers.

The catalysts for this increasingly digitised market include innovations in artificial intelligence (AI), with some leading market players already pioneering GenAI within the middle and back offices, while applications such as robo-advice are already gaining traction in some markets.

As AI and GenAI become more sophisticated and widespread, wealth and asset management firms will need to comprehend and adopt this technology to enhance efficiency and meet investor expectations. As a result, firms are looking to transform into AI-enabled organisations by ramping up investments in data resources, technology platforms, and talent development.

Robo-advisors are digital platforms that offer automated financial planning and investing services. They also use algorithms to manage and rebalance client portfolios based on tailored investment strategies, often simplifying the investment process and making it more approachable for new investors. AUM managed by robo-advisors are forecast to more than double to USD 5.9trn by 2027 from USD 2.5trn in 2022.

AUM of robo-advisors 2017-2027



Sources: PwC Global AWM & ESG Research Centre, PwC forecasts based on historical data from Statista

Robo-advisors are gaining in popularity, including among HNWIs, due to their lower minimum investment requirements when compared to traditional wealth management firms. This has led to some clients of traditional wealth management firms demanding the adoption of robo-advisory services if they are to remain as clients. As a result, traditional wealth management firms are acquiring or forming partnerships with robo-advisors. This enables them to benefit from their automation capacities for better compliance control while driving down costs. It also enables them to improve existing clients' digital experience and expand their client bases to include segments that were previously underserved due to a lack of assets.

Opportunities for wealth and asset management in Dubai

Emerging centres of wealth across the world are challenging the dominance of traditional financial hubs such as London and New York. Traditional hubs have been imposing ever greater restrictions, which has prompted a growing segment of HNWIs to explore alternative destinations offering incentives such as tax advantages, security enhancements, or lifestyle benefits.

Dubai's growing investor and fund manager base

Dubai has established itself as a preferred base for HNWIs and family offices in recent years and is rapidly emerging as a secondary domicile for private capital. The emirate is recognised for its conducive business environment, robust infrastructure, strategic location, and favourable tax structure, making it an appealing destination for investors. In addition, Dubai, with its political stability and strong ties with markets in Europe and Asia, offers a particularly feasible option for investors to diversify their investments across different regions.

Financial wealth in the UAE is primarily derived from UHNWIs and family offices and is projected to grow at a steady 6.7 per cent CAGR to reach a total USD 1trn by 2026, according to estimates by KPMG and Agreus.

Influx of private wealth into Dubai

In 2023, the number of HNWIs based in the Middle East increased by 2.1 per cent, according to Capgemini's 2023 wealth report. The UAE is forecast to see the largest net gain of millionaires, welcoming a net of 6,700 in 2024, according to the Henley Private Wealth Migration Dashboard. Most of these wealthy individuals are from the Middle East, Africa, and India.

The UAE's HNWI population grew 77 per cent between 2013 and 2023, with the country currently hosting a total of 116,500 resident HNWIs, including 308 centi-millionaires and 20 billionaires. Dubai is home to 62 per cent of these HNWIs, having established itself as the largest city base for HNWIs in the Middle East.

Dubai emerges as a new hub for family wealth

Family offices play a pivotal role in the UAE's wealth and asset management sector, both as managers and investors, and are anticipated to be an active investor group in the year ahead. The Middle East has seen a rapid expansion of family offices with total AUM projected to exceed USD 500bn by 2025, according to research by Agreus Group.

The UAE is being considered as an additional base for investment and family operations by family offices across Asia and Europe, while Dubai is attracting significant interest from families in the Middle East, Europe, India, and Africa. European and other Western family offices are also establishing a presence in the Middle East to explore opportunities in markets such as Southeast Asia, while Asian family offices are considering the UAE as a potential base to extend their reach to Europe.

Dubai's appeal to family offices has increased over the past two years due to its open-door policy during the Covid pandemic, and the introduction of its golden visa programme for those seeking long-term residency. Recent regulations, such as the DIFC Family Arrangements Regulations enacted in 2023, have been designed to enhance Dubai's attractiveness to family offices. These regulations, along with certification and accreditation programmes for family businesses and their advisors, assist family businesses in clearly defining arrangements for wealth preservation and for succession and legacy planning.

The recently inaugurated DIFC Family Wealth Centre (DFWC) is expected to play a crucial role in investment migration into Dubai. It aims to build on DIFC's reputation in order to better serve families in business. New `Family Arrangements Regulations', combined with an innovative set of solutions, aim to preserve and grow family businesses as well as family wealth, in line with the UAE's initiative to support family businesses and HNWIs.

Dubai's low tax policies, including zero corporate tax for single family offices and zero personal tax, coupled with its extensive network of tax treaties offering attractive withholding tax rates, have consistently helped to draw family offices to the emirate.

Rapidly expanding wealth base brings major wealth and asset management players to Dubai

An increasing number of regional and international wealth and asset management firms are expanding their regional presence in Dubai and DIFC to capitalise on the influx of private wealth and fund inflows from institutional investors.

Another catalyst for this expansion is growing demand from clients across the Middle East, Africa and South Asia (MEASA) markets for world-class wealth management services and comprehensive financial solutions.

DIFC now hosts more than 400 wealth and asset managers, managing more than USD 700bn in AUM, solidifying the Centre's status as the region's premier hub for wealth and asset management.

Additionally, Dubai was ranked as the top global talent hub in a report by the Harvard Business Review in 2023. These hubs are central to to the flow of skilled talent, professionals from the industry prefer to be based in the city.

Increased openness to alternative asset classes

The UAE is also looking to enhance its alternative investment market, having successfully attracted several major global players to establish a regional presence in its financial centres. In 2023, there was a notable influx of alternative investment management firms establishing offices in DIFC, including some of the sector's most prominent players.

As global fundraising for alternative investments has fallen and operating environments in more established markets have become more challenging, an increasing number of hedge funds, private equity, and VC funds have set up operations in DIFC. These firms are aiming to strengthen ties with institutional investors, family offices, and HNWIs, and to access the estimated USD 8trn of private wealth across the MEASA region.

Hedge funds from traditional hubs are also demonstrating a growing interest in expanding into the region and establishing in DIFC as a base, with more than 50 pure play hedge funds already registered at the Centre, which includes more than 40 'billion dollar club' hedge funds. DIFC has been successful in attracting many of these hedge funds due to its comprehensive range of ecosystem benefits, including operational convenience, supportive regulation, innovation enablement, a wide network of supporting businesses, and lifestyle options that appeal to high-calibre talent.

Additionally, DIFC established a landmark partnership with the Alternative Investment Management Association (AIMA): the first financial centre in the region to do so. AIMA represents more than 2,100 corporate members around the world, managing hedge funds and/or private credit assets exceeding USD 2.5trn.

The collaboration with AIMA emphasises the pivotal role of innovation and cross-border cooperation in attracting capital flows and creating opportunities in growth markets for high-performing hedge funds with diverse investment strategies.

ESG investment a mainstay in portfolios, supported by strong demand

ESG investments moved into the mainstream in the aftermath of the Covid pandemic, becoming essential components in most investment mandates and portfolios across the board. ESG investment products have also been gaining market share in the Middle East and Africa, mostly comprising Sharia-compliant funds. Still, ESG AUM in the region make up a minimal share of the global total, given the nascent status of the market.

PwC's 2022 Asset and Wealth Management Survey highlighted a surge in demand for ESG funds that exceeded expectations, with 79 per cent of institutional investors saying they planned to increase their allocations to ESG assets over the following two years. Moreover, 89 per cent of investors said they had either already rejected or stopped investing with specific asset management firms or would consider doing so because of limitations in the fund manager's ESG investment strategies.

ESG funds will be a key growth driver for the wealth and asset management sector. However, the current growth of global ESG AUM stems mainly from converted or repurposed funds that have integrated ESG considerations within them. While these funds meet the minimum eligibility requirements for ESG mandates, they still fall short of global investor demands. This presents wealth and asset managers with opportunities to create new ESG funds that do meet investor requirements, supported by new legislation, public market activity, and government investment in long-term sustainability goals. By accelerating the development of new ESG products and actively supporting the green transition, early adopters can enhance innovation, increase relevance, and capture market share.

Investing in digital assets widely accepted and adopted by HNWIs and managers

Digital assets are increasingly being recognised as an alternative asset class by both investors and wealth and asset managers. According to the 2022 Institutional Investor Digital Assets Study conducted by Fidelity, over 80 per cent of institutional investors said digital assets were playing a role in investment portfolios.

Global adoption and consideration of digital assets by investor segment

	Crypto HF/VC Fund	High-Net-Worth Investor	Financial Advisor	Family Office	Traditional HF	E&Fs	Pension/DB Plan
Currently buy/invest in digital assets*	87%	82%	73%	37%	7%	6%	5%
Familiar with digital assets*	94%	80%	72%	54%	20%	13%	23%
Positive perception of digital assets*	79%	74%	58%	38%	18%	3%	6%
Invested in digital assets <2 years**	12%	48%	37%	25%	10%	5%	7%

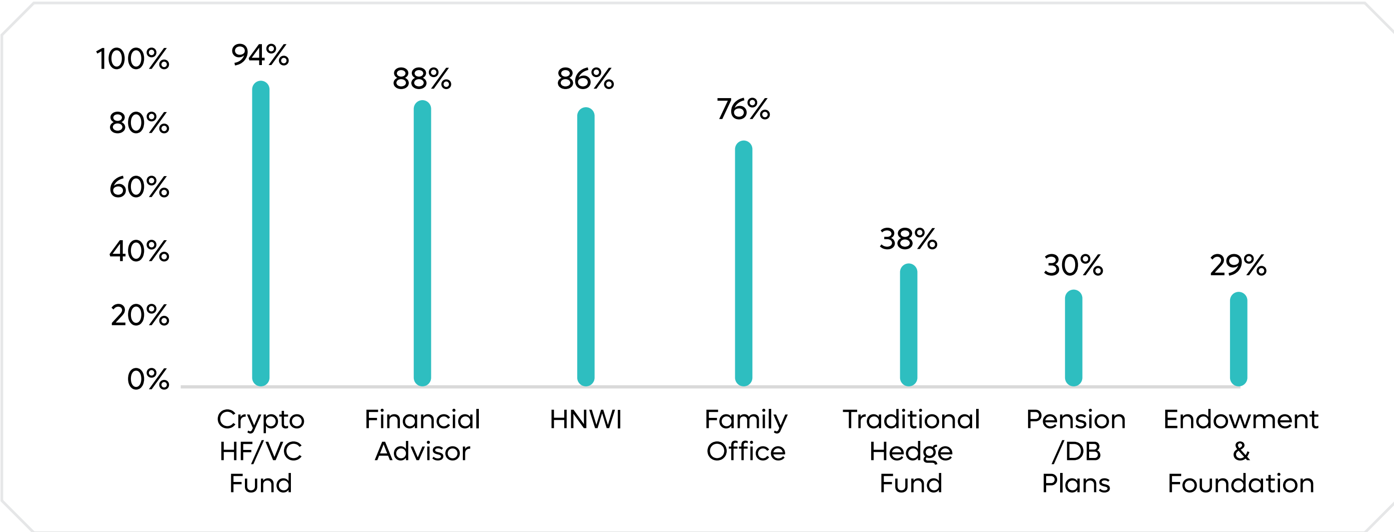
*Total base: 1052 **Total base: 883

Source: Fidelity Digital Assets[SM] 2022 Institutional Investor Digital Assets Study

The survey also revealed that the adoption and consideration of digital assets is highest among HNWIs, crypto hedge funds/venture capital, and financial advisors. This trend can be attributed to their respective organisational structures and investment decision-making policies. In aggregate, 74 per cent of investors expressed intentions to purchase or invest in digital assets in the future. Notably, HNWI investors reported the most substantial increase in future preference to invest in digital assets among the various investor groups surveyed.

Conversely, the adoption of digital assets is lower among family offices, pensions/defined benefit (DB) plans, traditional hedge funds, endowments, and foundations.

Investors' future preference to buy digital assets



Source: Fidelity Digital Assets℠ 2022 Institutional Investor Digital Assets Study

Wealth and asset management firms have invested in digital assets mainly through direct holdings of crypto assets, or through indirect holdings of investments in funds and equities of digital asset natives. Interest in digital assets has also extended to investments in blockchain technology as asset management firms explore opportunities for `tokenisation'.

According to an AIMA survey, one area that fund managers consider when investing in this asset class is the degree of certainty around regulations and tax, which was cited by 83 per cent of the survey's respondents. Dubai's overall regulatory and licensing regime is seen as more crypto-friendly than in other hubs, making it attractive to fund managers and potentially to institutional investors as well.

In 2021, the DFSA, DIFC's regulator, introduced its Regulation of Investment Tokens regime, which extended the scope of digital assets infrastructure to include dealing, arranging, trading, and custody of crypto tokens. This was followed by the DFSA's Crypto Token regime in 2022, which addressed several risks such as AML/CFT (Anti-Money Laundering and Combatting the Financing of Terrorism), safe custody, and market integrity.

In March 2024, DIFC enacted the world's first Digital Assets Law, which comprehensively sets out the legal characteristics of digital assets as a matter of property law, and provides guidelines for the controlling, transferring, and dealing of digital assets by interested parties.

Another concern for investors in digital assets is the provision of necessary infrastructure such as audit, accounting, custody and safekeeping services. In 2023, Standard Chartered signed an MoU with DIFC to collaborate on digital assets, including plans to launch digital asset custody services for institutional clients around the world. The bank has been a market leader in the securities services industry and is considered an early mover in developing digital asset custody services.

Success stories at DIFC

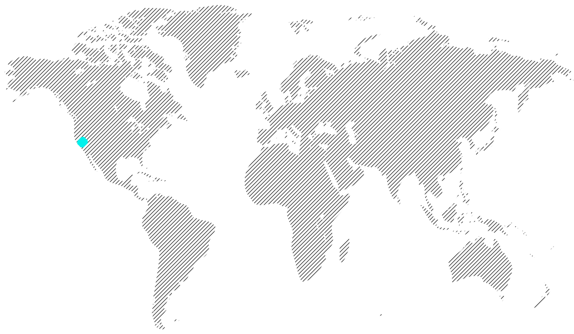
FRANKLIN TEMPLETON

With more than 75 years' experience, Franklin Templeton is among the world's largest asset managers, with offices in major financial markets serving clients in more than 150 countries and managing nearly USD 1.6trn in assets.

Franklin Templeton offers clients a gateway to investment excellence backed by a global organisation and delivered through a consistent, coordinated client experience. It has broadened its capabilities by attracting leading public and private market investment managers to the firm.

Franklin Templeton is well-positioned to identify the best opportunities for its regional and global clients, with investment teams on the ground focused on MENA bonds and equities. It is also a recognised leader in Sharia capabilities.

ESTABLISHED: 1947
ESTABLISHED IN DIFC: 2004



> Franklin Templeton made history as one of the first global asset management firms to establish roots in DIFC back in 2004. As we focus on a stronger tomorrow, our choice of DIFC as a centre of excellence for Central and Eastern Europe, Middle East, and Africa is a testament to both its esteemed status as the region's leading financial hub and our enduring commitment to this thriving landscape.

Sandeep Singh,
Head – CEEMEA & India

JULIUS BAER

Julius Baer was the first wealth management firm to establish in DIFC. For more than 130 years, Julius Baer has managed clients' wealth and served them as trusted, truly personal and holistic advisors with an open product platform, a solid financial base and an entrepreneurial management culture, making it the international reference in wealth management. With roots as a family business, Julius Baer understands the value of long-term relationships, and the challenges and opportunities of growing wealth, protecting it, and passing it on.

Julius Baer in Dubai has grown from a small set-up of a few employees in 2004 to more than 160 colleagues today spanning more than 29 nationalities. Besides relationship managers, these include teams for investment advisory, discretionary management, wealth planning, and credit structuring. In all it does, Julius Baer is inspired by its purpose: creating value beyond wealth.

ESTABLISHED: 1890
ESTABLISHED IN DIFC: 2004

> "Julius Baer is immensely proud to have been an integral part of DIFC's remarkable journey from its inception 20 years ago. Being DIFC's first licensed financial institution provided us with a first-mover advantage to access the region. Our long-term commitment is valued by our clients and continues to help us to attract new business. DIFC's platform and ecosystem is unmatched in the region, and we look forward to continuing to shape the future of finance together."

Alireza Valizadeh,
CEO, Julius Baer
(Middle East) Ltd

SCHRODER INVESTMENT MANAGEMENT

Schroders

Schroders is a global investment management firm committed to assisting institutions, intermediaries, and individuals worldwide in achieving their financial goals and preparing for the future. With a rich history, Schroders is renowned for its dedication to adapting to changing times and prioritising the evolving needs of clients. The firm's global reach and steadfast focus make it a trusted partner in navigating the complexities of the financial landscape.

ESTABLISHED: 1804
ESTABLISHED IN DIFC: 2007

> In the evolving landscape of global finance, where asset managers historically favoured traditional hubs like London, New York, Singapore, and Hong Kong, Dubai has emerged as a formidable competitor, gaining traction, and capturing the attention of the financial community. Schroder Investment Management's decision to establish a regional base within Dubai's dynamic financial hub, DIFC, was a testament to the city's growing influence. It signifies Schroder's confidence in DIFC, Dubai's financial ecosystem, and the city's ascent as a prominent global financial destination.

Douglas Bourne,
Country Head:
Schroders Middle East

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