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UAE Introduces New Crypto-Asset Reporting Framework (CARF)

The United Arab Emirates (UAE) has announced the adoption of the **Crypto-Asset Reporting Framework (CARF)**, aligning with international tax transparency standards. More than 65 jurisdictions are expected to implement CARF by 2027.

For the UAE, a leading hub for financial innovation, CARF strengthens its international credibility while imposing new compliance duties on businesses and investors in the digital asset space.

Implementation Timeline

- **15 September until 8 November 2025** – Public consultation.
- **2026** – Final regulations to be issued.
- **1 January 2027** – CARF takes effect.
- **2028** – First automatic exchange of crypto-related data.

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Scope and Obligations

CARF targets **crypto-asset service providers**, including exchanges, brokers, and wallet custodians. They will be required to report:

- **Transaction details** (purchases, sales, exchanges)
- **Account balances and histories**
- **Customer identification and residency status**

The framework applies broadly, covering cryptocurrencies, stablecoins, NFTs, and other digital assets.

Implications for Investors

CARF itself does not impose tax, but it enhances transparency and may facilitate future taxation. Investors should:

- Keep accurate transaction records;
- Use regulated platforms;
- Monitor regulatory developments;
- Seek professional tax and legal advice.

Open Questions

Key points still to be clarified include:

- How crypto gains will be taxed under UAE law;
- Whether thresholds or exemptions will apply;
- Treatment of cross-border transactions;
- Interaction with corporate tax and AML/KYC rules.

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Conclusion

The UAE's adoption of CARF is a significant step in regulating digital assets. Businesses should begin implementing compliance systems now, while investors should ensure accurate record-keeping. Although you are not personally required to track or store your data as an individual, your information may still be tracked and stored by crypto service providers. As further guidance emerges, timely legal and tax advice will be essential to remain compliant and to continue benefiting from the UAE's role as a global digital asset hub.

Key Takeaways

- The public consultation for the **Crypto-Asset Reporting Framework (CARF)** in the UAE is opened since **15 September 2025**.
- Final regulations are expected in **2026**, with **compliance obligations from 1 January 2027**.
- Reporting duties will apply to **crypto-asset service providers** (exchanges, brokers, custodians, wallet providers), not for Individuals. Unless you occur as provider (p.e. OTC-Desk).
- While CARF is a **reporting regime**, it may pave the way for **future taxation** of digital assets.

For companies seeking guidance on this topic, our team at Meyer-Reumann & Partners will be pleased to help. Get in touch with us by emailing our lawyer Katharina Jung at katharina@meyer-reumann.com.