

EMAIL SUBMISSION TO: VARA due to survey character limit constraint

To whom it may concern,

**Re: The UAE Ministry of Finance Consultation on the Implementation of the OECD  
Crypto-Asset Reporting Framework (CARF)**

**About Global Digital Finance (GDF)**

GDF is the leading global members association advocating and accelerating the adoption of best practices for crypto and digital assets. GDF's mission is to promote and facilitate greater adoption of market standards for digital assets through the development of best practices and governance standards by convening industry, policymakers, and regulators.

The input to this response has been curated through a series of member discussions, industry engagement, and roundtables, and GDF is grateful to its members who have taken part.

As always, GDF remains at your disposal for any further questions or clarifications you may have, and we would welcome a meeting with you to further discuss these matters in more detail with our members.

Yours faithfully,  
Elise Soucie Watts - Executive Director - GDF



## Response to the Consultation Survey: Executive Summary

GDF convened its MEA Policy & Regulatory Working Group as well as its Tax Working Group to analyse the UAE's Consultation on the implementation of the OECD's Crypto-Asset Reporting Framework (CARF).

Overall, GDF welcomes the UAE's commitment to implementing the OECD's Crypto-Asset Reporting Framework (CARF) and supports its introduction as an information-reporting regime rather than a tax measure. The framework represents an important step toward enhancing transparency, interoperability, and regulatory credibility in digital finance. For the UAE, successful implementation will depend on ensuring proportionality, consistency across regulators and free zones, and a clear delineation of roles between the Ministry of Finance and other competent authorities.

Throughout our response, and to support the Ministry of Finance in implementing the CARF, we have consistently emphasised the need for clear, practical, and locally relevant guidance. We believe that firms require certainty on scope, definitions, and nexus criteria to avoid inconsistent interpretations between regulators. In particular, entities licensed by multiple authorities or operating across both on-shore and free-zone jurisdictions need explicit instructions on where reporting obligations lie and how potential duplication will be managed.

GDF also recommends that the Ministry of Finance publish and maintain an official list of reportable jurisdictions, replacing the prior "wider" reporting approach under CRS. This will provide clarity for due diligence scoping and prevent unnecessary reporting to non-adopter jurisdictions. Additional guidance and worked examples could illustrate how CARF definitions apply to common UAE business models, including intermediaries, white-label arrangements, and custodial or staking services, and how nexus and hierarchy rules interact in multi-jurisdictional structures.

We would also note the importance of early publication of technical specifications, XML schemas, and validation rules, accompanied by a sandbox or testing environment to allow adequate time for systems integration and data-quality checks. A phased or "soft-landing" implementation, particularly in the first year, could ensure accurate and consistent reporting without imposing undue penalties during initial adoption.

On enforcement, GDF supports proportionate and transparent penalties, applied consistently and with clear cure periods. Firms should not be deputised as enforcement agents toward clients, and penalties should target institutional non-compliance rather than user behaviour. The Ministry could consider safe harbours for firms demonstrating good-faith efforts and remediation within agreed timelines.

Finally, GDF encourages continued structured engagement between the Ministry of Finance, sector regulators, and industry through technical working groups and roundtables. Such collaboration could help address emerging operational challenges, align CARF with CRS 2.0 standards, and ensure that UAE implementation remains interoperable with global reporting frameworks.

In summary, GDF's recommendations focus on six key priorities:

- 1. Publish and maintain a definitive list of reportable jurisdictions to avoid a wider approach.**



2. **Provide clear regulatory mapping and worked examples across on-shore, regulated, and non-regulated free zones.**
3. **Release full technical specifications and a sandbox well ahead of first reporting.**
4. **Clarify CARF/CRS 2.0 alignment, including nil-return mechanics and crypto-derivative treatment.**
5. **Issue practical due-diligence guidance, including simplified self-certifications and proportionate data requirements.**
6. **Adopt a phased “soft-landing” approach with proportionate, transparent enforcement.**

Overall, we believe that these measures would collectively support a smooth, proportionate, and effective rollout of the CARF in the UAE.

## **Response to the Consultation: Survey Responses**

1. ***Do you consider the general scope of the OECD CARF Rules to be sufficiently clear? Are there areas or instances where additional guidance on the scope of the Rules or their implementation in the UAE would be helpful?***

Overall, GDF supports the implementation of the OECD CARF as an information-reporting regime within the UAE. At the OECD level, the scope of CARF is broadly clear. However, we believe that for implementation in the UAE, further jurisdiction-specific guidance and worked examples will be extremely beneficial to ensure the regime is workable, proportionate, and consistent across regulators and free zones. We elaborate below on key areas where we believe further guidance and clarity would be beneficial for successful implementation of the CARF in the UAE and respectfully request further engagement and discussion with authorities as the framework progresses:

### *Regulatory architecture and allocation of responsibilities*

- GDF believes that further clarity is needed on which UAE authority will act as the Competent Authority for CARF administration and how sector regulators and free-zone authorities will be involved in supervision, filing channels, and outreach. We recommend a single consolidated policy reference from the Ministry of Finance, with aligned FAQs from VARA, SCA, CBUAE, DIFC, ADGM and other relevant authorities. This could include an explicit map of responsibilities, escalation routes, and how audits or remediation will be coordinated to avoid duplicated obligations for multi-licensed groups.

### *Entities in scope: RCASPs and intermediaries*

- While CARF’s definitions are clear at a high level, we believe it would be beneficial for UAE guidance to include practical scoping examples for common business models in the market. These could include centralised exchanges with UAE branches, white-label or introducing-broker arrangements, custodians offering segregated and omnibus accounts, and service providers that connect clients to licensed RCASPs without themselves executing transactions. Worked examples would reduce risk of over-capture or inconsistent interpretations across regulators. GDF would be happy to support the



Ministry of Finance and broader UAE public sector authorities in developing such examples.

- UAE guidance could also include practical scoping examples for common business models in the market. These might cover centralised exchanges with UAE branches, white-label or introducing-broker arrangements, custodians offering segregated and omnibus accounts, and service providers that connect clients to licensed RCASPs without themselves executing transactions. We believe that clear examples would reduce the risk of over-capture or unintended differing interpretations across regulators. GDF would be pleased to support the Ministry of Finance and relevant authorities in developing such examples.
- Additionally, we believe further clarification could also be provided on the treatment of specific activities and asset types that fall at the intersection of CARF and existing UAE regulations. These include: (a) staking rewards and whether they constitute reportable transactions; (b) crypto custody arrangements and the point at which custody providers are deemed to be effectuating exchange or transfer; (c) crypto payment or “in-kind” transactions, such as contributing crypto-assets to an investment fund without conversion into fiat; and (d) blockchain-based gaming or tokenised reward ecosystems, where the line between financial and non-financial use cases may be less distinct.
- Finally, we also believe clarity could be provided on the treatment of stablecoins, particularly fiat-pegged tokens, and whether such instruments will be categorised as “relevant crypto-assets” under CARF or treated as electronic money where covered by other regulatory regimes. Consistent definitions across these categories would support accurate reporting and minimise duplicative compliance requirements for firms operating within the UAE’s evolving digital asset framework.

#### *Free-zone treatment*

- Given the prevalence of free-zone licensing, we believe it would be beneficial for guidance should to whether CARF implementation will be harmonised across free zones and onshore, and whether free-zone entities follow Ministry of Finance guidance directly or via free-zone rules that mirror MoF positions. Examples could address entities with group functions distributed across free-zone and on-shore entities, including when reporting is consolidated versus entity-by-entity.
- In addition, we believe it would be beneficial for clarification to be provided on the treatment of non-regulated free zones such as DMCC, JAFZA, and others where entities may not fall under the supervision of a financial regulator but nonetheless undertake digital asset or technology-related activities. Guidance could specify whether such entities are expected to report directly to the Ministry of Finance, or whether separate administrative arrangements will apply. Furthermore, clear treatment of non-regulated free zones would also help ensure that CARF obligations are applied consistently and proportionately across the UAE’s mixed regulatory environment.

#### *Nexus and hierarchy interactions with scope*

- Additional UAE-specific guidance is requested on how nexus and hierarchy rules determine who reports where similar activities are undertaken by group entities in different Emirates or free zones, or where a single RCASP has operational footprints in more than one jurisdiction. A decision tree with tiebreakers would help avoid both



double reporting and gaps in coverage. We expand upon this further under the Nexus specific question later in the survey.

- We also believe that further clarification could be provided on how non-resident crypto-asset service providers serving UAE clients will be treated under CARF and whether a local presence or agent requirement could be introduced for reporting purposes. Clear guidance on the interpretation of a “regular place of business” would also be valuable, particularly for firms that are not incorporated or tax resident in the UAE but maintain ongoing commercial activity or client relationships within the jurisdiction. These clarifications would help ensure consistent application of nexus criteria and prevent uncertainty for cross-border firms engaging with UAE-based clients.

#### *Product and activity scope*

- Clarify the treatment of the full range of in-scope digital asset activities commonly offered in the UAE, including spot trading, custody, brokerage/arranging, lending and borrowing, staking and other yield-generating services, and tokenised asset markets. Where CARF draws boundaries (for example, between pure technology services and intermediated financial services), UAE guidance could include short scenarios that show when an activity is in or out of scope for reporting.

#### *Wallets, transfers and self-hosted arrangements*

- We also recommend that the Ministry of Finance provide examples of how transfers to and from self-hosted wallets should be treated in scoping and reporting. This could include expectations for due diligence where the counterparty is not an RCASP and how firms evidence reasonable steps without creating de facto enforcement duties that exceed the intent of CARF.

#### *Reportable jurisdictions and the “wider” approach*

- To enable consistent scoping and avoid unnecessary burden, the Ministry of Finance could also publish and maintain an official list of reportable jurisdictions (with a clear update cadence) rather than requiring reporting to non-adopter jurisdictions. Historic experience under CRS in the UAE suggests that an unduly wider approach, which goes beyond signed and activated exchange agreements, creates operational complexity without improving tax-information exchange outcomes.
- We also believe it would be beneficial for the UAE businesses to understand how the Ministry Finance envisages to control and/or manage UAE businesses that fall within both regimes (i.e. CRS 2.0 and CARF) from a reporting perspective by issuing additional guidance on this matter.

#### *Consolidation versus segregation of filings*

- For groups licensed by multiple UAE regulators, we support clarification of whether reports should be consolidated at group level or segregated by licensed entity or regulator, and how any de-duplication will be managed. Where reports flow through regulator portals, we recommend confirming whether regulators act as intermediaries to the Ministry of Finance or whether submissions are made directly to a central MoF system.



### *Technical perimeter and interoperability*

- To keep scope practical, we also support publication of a UAE specific technical pack early (which could include schemas, data dictionaries, validation rules and examples) and confirm interoperability with existing CRS processes. Even though this is primarily a reporting question, technical design influences how firms operationalise the scope; early visibility reduces the risk of divergent interpretations and rework.

### *Transitional arrangements and legal certainty*

- Finally, we also recommend confirming the legal basis, effective dates, and phased timelines for UAE adoption, including any first-year soft-landing and remediation windows. Clear transitional guidance will help firms implement governance, data models, client outreach and systems aligned to scope from the outset.
- In the same context we would recommend confirming that RCASPs in the UAE are permitted to collect relevant information from Crypto Asset Users under the Nexus Rules in the first year of implementation in 2026 and before CARF comes into effect in the UAE in 2027, that RCASPs are allowed to apply the Nexus Rules and report such information as prescribed in relevant other Partner Jurisdictions which have adopted CARF from 2026 with first reporting in 2027.

### *Alignment between CARF and CRS 2.0*

- To support alignment between CARF and CRS 2.0, it could be clarified how potential overlaps will be managed to avoid duplicative reporting. Additionally, where accounts or transactions fall within the scope of both regimes, entities could be permitted to report under one framework and file a nil return under the other, ensuring comprehensive but non-duplicative coverage.
- Further guidance on the treatment of crypto derivatives would also be helpful, particularly in distinguishing when such products fall under CARF or CRS 2.0. For instance, tokenised or on-chain derivatives involving crypto-assets could be treated as within CARF, whereas purely contractual derivatives settled in fiat may remain within CRS 2.0. Providing clear principles and practical examples would help firms apply the correct regime and maintain consistent reporting across both frameworks.

In summary, GDF recommends that the Ministry of Finance publish and maintain an official list of reportable jurisdictions to ensure consistent scoping; provide worked UAE-specific examples illustrating how CARF applies to RCASPs, intermediaries, free-zone entities, and multi-regulated groups; and clearly map the respective roles of the Ministry and sector regulators or free zones in supervision, filing, and remediation. Guidance could also clarify whether reporting obligations are to be consolidated or segregated where entities hold multiple licences, and early release of technical materials, schemas, data dictionaries, and validation rules, will be critical to enable firms to operationalise the scope consistently with CARF and CRS 2.0.





***2. Do you consider the definitions contained within the OECD CARF Rules to be sufficiently clear within the UAE's domestic context? Are there any areas where additional guidance would be helpful?***

Overall, at the OECD level, GDF feels that the CARF definitions are broadly clear and workable. However, as with the scope we believe that the UAE's implementation will require domestic guidance to align those definitions with the country's multi-regulator and free-zone landscape. Clear mapping and worked examples for definitions will also prevent inconsistent interpretations and ensure proportional application across the market.

First, we would note that we believe further clarification is needed on how the RCASP definition applies to intermediated models common in the UAE, such as introducing brokers, white-label arrangements, and technology providers that facilitate access to licensed exchanges. Worked examples could show when these entities are in scope versus out of scope.

Additionally, we believe that definitions should be applied consistently across free zones and onshore jurisdictions. Further guidance could confirm whether tests are applied at the entity or group level, and how multi-licensed firms report when supervised by more than one authority.

GDF also believes that UAE guidance should align CARF terminology with local business models including trading, custody, lending, staking, and tokenised assets. Short scenarios, which GDF would be happy to co-develop with authorities, could illustrate treatment of edge cases such as internal transfers and movements to or from self-hosted wallets.

To ensure uniform interpretation, GDF also recommends referencing standard identifiers such as ISO Digital Token Identifiers (DTIs) and Legal Entity Identifiers (LEIs) within the UAE data dictionary.

Finally, we also believe further clarification would be beneficial on defining "reportable users" to avoid a de facto wider approach. Firms may require guidance on TIN collection for users in non-reportable jurisdictions and how reasonableness checks align with existing KYC data.

Overall, GDF recommends that the Ministry of Finance issue a concise UAE-specific glossary and worked examples that clarify RCASP coverage, treatment of intermediaries and free-zone entities, application to key activities, and consistent use of identifiers. Early publication of these materials will ensure alignment with CRS 2.0 and support consistent implementation across UAE regulators.

***3. Are there any areas where additional guidance would be helpful on the nexus or hierarchy criteria?***

GDF supports the OECD's nexus and hierarchy framework but as noted with regards to the previous questions considers that additional UAE-specific guidance would be beneficial to address the nuances of the domestic regulatory landscape. Clear, practical criteria will help firms determine when reporting obligations arise in the UAE and avoid duplicate or missed filings across jurisdictions and regulators.

We would note that UAE entities often operate through multiple legal vehicles across Emirates and free zones, with client bases spanning several jurisdictions. We believe it would be beneficial for guidance to include decision trees or illustrative examples showing how nexus is



established when a firm has operations or users in more than one location, including branches or group entities. Worked examples could also cover scenarios where the RCASP has both UAE and non-UAE nexus, which would be particularly helpful in clarifying how the hierarchy rules resolve overlapping obligations.

Additionally, we believe that further clarity would be beneficial with regards to how the Ministry of Finance, as the Competent Authority, will interact with sector regulators and free-zone authorities in determining nexus. Guidance could explain whether filings are made directly to the Ministry or through regulator-specific portals, and how data will be consolidated to prevent double reporting for multi-licensed groups.

The UAE could also consider confirming that where an RCASP meets the UAE nexus criteria, such as incorporation or tax residence, that it would be subject to CARF reporting solely in the UAE. Furthermore, GDF recommends that to support cross-border coordination and prevent duplicative reporting, the Ministry of Finance could explore introducing a simple “CARF nexus certificate” for UAE-based RCASPs. This certificate could confirm that the entity is covered under the UAE’s CARF implementation and be available ahead of go-live to facilitate recognition by other jurisdictions.

Finally, to maintain interoperability with other regimes, GDF believes that the UAE should align its nexus tests with the CRS 2.0 approach wherever possible, particularly around residency and place-of-management concepts. A consistent hierarchy order, primary jurisdiction of residence, followed by place of incorporation or management, would support harmonised reporting for firms subject to both frameworks.

Overall, GDF recommends that the Ministry of Finance issue detailed UAE guidance outlining nexus decision trees, regulator coordination procedures, and examples for multi-jurisdiction or multi-regulated entities. Alignment with CRS 2.0 principles and clear tie-breaker criteria will ensure consistency, prevent duplicate submissions, and enhance overall clarity for industry.

***4. Are there any areas where additional guidance would be helpful on reportable information? For example, guidance on interpreting the nexus criteria (e.g. when the RCASP may have a nexus in more than one jurisdiction) or how to report large transaction numbers.***

Overall, GDF supports the CARF framework for reportable information but as noted with regards to the above questions, also recommends additional UAE-specific guidance to ensure consistency across regulators and reporting systems.

With regards to reportable information, we believe clarification would be beneficial on how RCASPs with nexus in more than one jurisdiction should allocate reporting, whether data should be split or consolidated, and how de-duplication will occur between regulators and the Ministry of Finance.

We also believe that practical examples would assist firms in handling large transaction volumes, bulk transfers, and movements to or from self-hosted wallets. Early publication of XML schemas, validation rules, and a test environment will be critical to ensure accurate reporting and interoperability with CRS 2.0 systems.





Overall, GDF recommends that the Ministry of Finance release detailed technical specifications and worked examples covering multi-nexus reporting, data de-duplication, and high-volume transaction treatment to promote consistent, efficient implementation.

***5. What are your views on the proposal to set the CARF annual reporting deadline as 30 June? Alternatively, would you recommend a different reporting deadline? If so, please explain the rationale for an alternative reporting deadline?***

Overall, GDF believes that the proposed 30 June reporting deadline could be workable provided it is accompanied by early publication of technical specifications, portal access, and clear supervisory expectations. This is also in line with US FATCA and OECD CRS. An implementation runway, with jurisdiction specific guidance, will be essential for firms to build and test reporting systems, map data, and complete due diligence processes in a controlled manner.

We would also respectfully note that considering the process of CRS implementation, delayed publication of technical materials and shifting timelines had the unintended consequence of creating operational strain. To avoid this, the Ministry of Finance could consider releasing schemas and testing environments at least six months prior to the first reporting period, along with interim milestones to support industry readiness.

Given that the UAE is likely to fall within the second implementation wave, with due diligence commencing in 2027 and first reporting expected in 2028, the 30 June date could be retained if accompanied by a phased approach in the first year. This could for example include a soft-landing period allowing for late or corrected filings without penalties, reflecting the practical complexities of multi-regulator coordination and system integration.

Overall, GDF supports aligning the UAE's reporting timeline with international practice but recommends that the first year of reporting be treated as transitional, with sufficient preparation time and flexibility to ensure accuracy, consistency, and effective industry compliance.

***6. Are there any areas where additional guidance would be helpful on the due diligence rules?***

GDF supports the OECD's due diligence framework but considers that further UAE-specific guidance would be beneficial to ensure the rules are applied consistently and proportionately across regulators and free zones. Additional clarity could help firms align their CARF processes with existing KYC and AML procedures, reducing duplication and maintaining a risk-based approach.

Guidance could include practical examples of how RCASPs verify user tax residency using existing onboarding data, the extent of "reasonableness" checks expected, and how to manage cases where users are in non-reportable jurisdictions. GDF also emphasises the importance of confirming whether tax identification numbers are required for users in non-reportable jurisdictions and how firms can document their rationale for relying on self-certifications in such cases.



It could also be clarified that RCASPs are not required to obtain TINs or residential addresses beyond standard AML/KYC obligations for users who self-certify as non-reportable or as Excluded Persons. The Ministry of Finance could expressly confirm that such users need only provide a self-certification confirming tax residency in one or more non-reportable jurisdictions, alongside standard AML data, and that additional details such as place of birth are not required unless mandated under AML rules.

We also believe that further clarification could also be provided on the treatment of pre-existing crypto-asset users where a self-certification cannot be obtained. It would be helpful for the Ministry of Finance to confirm whether the current legal framework would permit RCASPs to terminate or restrict such relationships without further legal or contractual implications, or whether alternative remediation options may be appropriate.

In addition, more detailed guidance on the entity definition would support consistency. Specifically, where an RCASP is required to look through a managed investment entity, it would be useful to clarify how this applies when an entity is both a “managed” and an “activities” investment entity, and whether reporting depends solely on the management relationship or also on the nature of its underlying activities.

Finally, flexibility in implementation could help ensure effective outcomes without unnecessary administrative complexity. The Ministry could confirm that positive confirmation of self-certification may be obtained through practical digital methods, such as a secure checkbox or jurisdiction selection on an RCASP’s platform or via a delegated service provider, so long as data quality and supervisor visibility are maintained. To promote standardisation, the Ministry of Finance could also consider issuing a short self-certification template aligned with CARF and CRS 2.0 data fields, available in multiple languages, and accompanied by guidance on change-in-circumstance reviews and evidence standards for reasonable reliance. Overall, we believe that this would support a proportionate and operationally workable implementation across the UAE.

***7. Do you foresee any challenges or concerns if the penalties applicable to CARF obligations are aligned with those currently applied under the CRS regime? Please explain, including whether the nature or size of your business may influence the impact of such penalties?***

GDF recognises the importance of maintaining credible enforcement mechanisms to ensure compliance with CARF obligations, but we are concerned that that penalties aligned with the CRS regime could create disproportionate impacts without appropriate calibration and clarity. In particular, we believe that the application of penalties should take into account the scale, nature, and good-faith efforts of reporting firms, as well as the operational complexity of the UAE’s multi-regulator environment.

Overall, we are concerned that replicating CRS penalties without modification could expose firms, particularly those licensed by multiple regulators, to duplicative sanctions for a single reporting error. To mitigate this, we believe that the Ministry of Finance could clarify whether penalties will be applied on a consolidated basis or separately by regulator, and whether supervisory discretion will be exercised in cases where firms demonstrate timely remediation and reasonable compliance controls.



GDF also recommends that enforcement expectations be proportionate and clearly documented. We firmly believe that firms should not be placed in a position of acting as de facto enforcement agents vis-à-vis their clients, for example by being required to freeze or close accounts for non-compliant users. Instead, penalties could focus on institutional reporting failures rather than user-level conduct.

Finally, additional guidance on thresholds, cure periods, and mitigation procedures would help align expectations between regulators and industry. Introducing safe harbours, as well as a potential transition period, for firms that can evidence good-faith compliance efforts, supported by governance and audit trails, would enhance accountability without discouraging participation or innovation in the UAE digital asset sector.

***8. What additional resources (either one-off or continuous) do you expect to incur to comply with the requirements of the CARF? Please provide any information, such as costs, staff time, or number of reportable persons/RCASPs affected which would help quantify the impacts of this measure more precisely?***

We would note that as the precise scope and technical specifications of the UAE's CARF implementation have not yet been finalised, this difficult to quantify at this stage. However, any new regulatory reporting framework is expected by industry to entail both additional one-off and ongoing costs related to system development, data integration, process changes, staff training, and external reporting vendor support. Firms will also need to invest in governance frameworks, documentation procedures, and quality-assurance mechanisms to ensure accurate and consistent submissions.

Given the fast-evolving nature of the digital asset sector, it is challenging to estimate resource requirements two years ahead of first reporting. Market structures, technology providers, and data standards continue to mature rapidly, and implementation costs will depend on how closely the UAE's technical framework aligns with existing CRS infrastructure and emerging global CARF standards.

GDF therefore recommends that the Ministry of Finance take a proportionate approach to implementation timelines, allowing firms adequate time to build and test systems once technical details are available. Early publication of reporting specifications, sandbox environments, and regulator guidance would help reduce uncertainty and enable firms to plan resourcing more effectively.

***9. In your opinion, are there any initiatives that the UAE Ministry of Finance can undertake to ensure a smooth(er) implementation of CARF in the UAE?***

GDF members strongly support proactive engagement by the Ministry of Finance to ensure a coordinated, practical, and phased implementation of CARF across the UAE's regulatory landscape. Given the number of domestic authorities involved, early alignment between the Ministry, sector regulators, and free-zone authorities will be critical to achieving a smooth rollout. A single, consolidated source of guidance, complemented by regulator-specific FAQs, could help avoid fragmentation and ensure consistent interpretation of obligations.



The Ministry of Finance could also publish and maintain an official list of reportable jurisdictions with a transparent update process, replacing the prior “wider” approach used under CRS. This would provide firms with the certainty required to scope due diligence and data collection accurately while avoiding unnecessary reporting to non-adopter jurisdictions.

To support operational readiness, GDF encourages early publication of technical specifications, XML schemas, and validation rules, accompanied by access to a testing or sandbox environment. These materials could be issued at least six months prior to the first reporting cycle to allow sufficient time for firms to align systems, test data quality, and train staff.

Furthermore, a first year “soft-landing” phase could further support effective implementation, focusing on education and remediation rather than enforcement. The Ministry might also consider regular joint workshops or roundtables with regulators and industry to test examples, troubleshoot technical issues, and share best practices.

Finally, GDF would welcome the opportunity to contribute to these readiness efforts, including by co-hosting technical sessions or sharing model documentation developed through its global CARF and CRS 2.0 working groups. Such collaboration could help ensure that the UAE’s implementation of CARF is consistent, interoperable, and internationally credible.

#### ***10. Do You have any other comments, suggestions or concerns regarding the UAE’ proposed implementation of CARF?***

GDF welcomes the UAE’s commitment to implementing the CARF framework and supports its adoption as an information-reporting regime rather than a tax measure. However, as outlined throughout our response we believe that several areas could benefit from additional clarification and jurisdiction specific coordination to ensure the regime remains proportionate, technologically neutral, and aligned with international best practice.

We would note there are some concerns raised by industry that the UAE might replicate the historic “wider” approach applied under CRS, which required reporting to non-participating jurisdictions and created the unintended consequence of significant operational and legal uncertainty. To avoid this, GDF recommends that the Ministry of Finance publish and maintain a definitive list of reportable jurisdictions, with an accompanying update cadence. This would allow firms to scope due diligence and data collection accurately and reduce over-reporting risks.

Further clarity could also be provided on the legal and procedural basis for implementation. The Ministry of Finance could confirm that CARF obligations will be introduced through primary or secondary legislation, supported by formal guidance, rather than through ad hoc notices. Clear legislative underpinning will give firms the certainty needed to build compliant systems and governance frameworks well ahead of go-live.

In addition, entities operating in or licensed by multiple regulators, including free-zone authorities, will require explicit guidance on how reporting obligations will be allocated between the Ministry of Finance and sector regulators. The Ministry could consider publishing a responsibility matrix or joint supervisory statement to reduce interpretive differences and duplicative filings.



Finally, GDF encourages the Ministry to continue fostering open dialogue with industry through structured engagement mechanisms, such as periodic consultation roundtables or technical working sessions. These initiatives would not only strengthen regulatory coordination but also help ensure that CARF implementation in the UAE is both effective and operationally achievable, supporting the country's broader objective of regulatory excellence and international alignment.