UNITED ARAB EMIRATES
MINISTRY OF FINANCE

الإمارات العربية المتحدة
وزارة المالية

CARF FAQs

Important Notice:

These frequently asked questions (FAQs) are intended as general guidance only, and do not constitute legal, tax or other professional advice. Whether and how the Crypto-Asset Reporting Framework (CARF) applies to a person or transaction will depend on the relevant facts and circumstances. These FAQs should be read alongside the applicable UAE legislation and the OECD CARF Rules and Commentary and may be updated from time to time.

Capitalized terms used in these FAQs have the meanings assigned to them in Section IV of the Organisation for Economic Co-operation and Development (OECD) CARF rules, which can be accessed through this link: https://mof.gov.ae/wp-content/uploads/2026/09/OECD-Publication-International-Standards-for-the-Automatic-Exchange-of-Information-in-Tax-Matters-published-by-the-OECD-in-June-2023.pdf.

This document should be read together with the guidance issued by the OECD on the CARF, which is available here.

#	Question	Answer
A – General		
1.	What is CARF and why is the UAE implementing it?	The Crypto-Asset Reporting Framework (CARF) is an international tax transparency standard developed by the Organisation for Economic Co-operation and Development (OECD) in cooperation with G20 countries. The OECD, through the Global Forum on Transparency and Exchange of Information for Tax Purposes monitors and supports its implementation across participating jurisdictions. The CARF is designed to strengthen international tax transparency by requiring Reporting Crypto-Asset Service Providers to collect and report information on certain crypto-asset transactions, which may then be automatically exchanged between participating tax authorities. The UAE has committed to implementing the CARF in accordance with internationally agreed timelines, with the first automatic exchanges of information scheduled for 2028. This commitment reflects the UAE's continued support for international tax transparency and efforts to combat tax evasion involving crypto-assets.
2.	What is the legislative framework for CARF in the UAE?	The UAE has taken the following steps towards the implementation of the CARF:

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		• In July 2025, the UAE Ministry of Finance signed the Multilateral Competent Authority Agreement on the Automatic Exchange of Information pursuant to the CARF (CARF MCAA). • On 4 May 2026, the CARF MCAA was ratified pursuant to Federal Decree No. 60 of 2026. The CARF is expected to be implemented through a Cabinet Decision setting out the applicable due diligence and reporting rules. The Cabinet Decision is expected to enter into force on 1 January 2027.
3.	When is CARF going live in the UAE?	The CARF is expected to go live in the UAE on 1 January 2027. The first reporting under the CARF will take place in 2028 and will cover reportable transactions carried out in 2027.
4.	Who is considered a Reporting Crypto-Asset Service Provider ("RCASP")?	An RCASP is an individual or Entity that, as a business, provides a service effectuating Exchange Transactions for or on behalf of customers, including by acting as a counterparty, or as an intermediary, to such Exchange Transactions, or by making available a trading platform. An RCASP is subject to the UAE CARF reporting and due diligence requirements where it meets the conditions set out in the CARF, including through tax residence, incorporation, management or a regular place of business in the UAE, or through Relevant Transactions effectuated through a Branch based in the UAE, subject to the applicable exemptions from duplicate reporting.
5.	Does CARF apply only to regulated crypto entities?	No. CARF is based on what the entity actually does, not only whether it is licensed or regulated. If an individual or entity provides a service effectuating Exchange Transactions for or on behalf of customers, it may need to check whether it is an RCASP for CARF purposes and whether it has any UAE CARF obligations. An individual or entity that meets the definition of an RCASP may have CARF obligations in the UAE even if it operates through an online or cross-border business model.
6.	Will information reported to the Ministry of Finance under CARF remain confidential?	Yes. Information reported to the Ministry of Finance under the CARF is subject to the applicable UAE confidentiality and data protection frameworks. CARF information exchanged with foreign competent authorities is also subject to the confidentiality, data protection and information security safeguards provided under the relevant international agreements.
7.	How can I tell if CARF applies to me or my entity?	The CARF may apply to you in the UAE if you or your entity, as a business, provides services effectuating exchanges of Relevant Crypto-Assets for fiat currencies or other Relevant Crypto-Assets for or on behalf of customers, and you have a nexus to the UAE. To assess whether you are in scope, consider the following:

#	Question	Answer
		• **Services:** Do you provide Crypto-Asset exchange or trading services, or act as a broker, dealer, or platform operator? • **Business activity:** Do you provide these services to customers as part of a business? • **UAE nexus:** Are you (i) tax resident in the UAE; (ii) incorporated or organised under UAE law and either have a legal personality in the UAE or has an obligation to file tax returns in the UAE; (iii) an entity managed from the UAE (meaning key business decisions are made here, even if it is incorporated elsewhere); or (iv) an individual or entity that has a regular place of business in the UAE. The CARF may also apply to Relevant Transactions effectuated through a Branch based in the UAE. If you or your entity has a relevant nexus to more than one jurisdiction, you must assess the applicable nexus rules and their hierarchy to determine where your reporting and due diligence obligations must be fulfilled.
8.	Do I need to do anything if I only hold Crypto-Assets for myself?	CARF reporting is done by RCASPs, not by individuals or entities simply because they hold Crypto-Assets.
9.	If I am an entity that accepts crypto payments, am I automatically an RCASP?	An entity that merely accepts Crypto-Assets as payment for its own goods or services is not an RCASP solely for that reason. However, if the entity also, as a business, provides a service effectuating Exchange Transactions for or on behalf of customers, including by acting as a counterparty or intermediary to such Exchange Transactions, or by making available a trading platform, it should confirm whether it is an RCASP In addition, entities that accept Crypto-Assets as payment should be aware that certain retail transactions may constitute Reportable Retail Payment Transactions (RRPTs) under the CARF. While this does not make the recipient of those payments an RCASP, such transactions may give rise to CARF reporting obligations where the relevant conditions are met.
10.	Can a non-custodial or decentralised platform be an RCASP?	A platform does not automatically fall outside the scope of the CARF just because it does not hold or control its customers' Crypto-Assets. If a person operates or makes a trading platform available, it may be an RCASP.
11.	Which criteria are used to determine whether an RCASP has a reporting nexus with the UAE, and how does the nexus hierarchy work?	RCASPs must determine the jurisdiction in which they are required to complete their reporting and due diligence obligations under CARF. This is known as the RCASP's reporting nexus. An RCASP must apply the following criteria, in order, to determine if its reporting nexus is with the UAE:

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		1. An entity or individual that is tax resident in the UAE; 2. An entity that is incorporated or organised under the laws of the UAE and either - has legal personality in the UAE; or - is required to file tax returns or tax information returns with the UAE tax authorities in respect of its income; 3. An entity managed from the UAE, including where a trust is managed by a UAE-resident trustee; 4. An entity or individual with a regular place of business in the UAE. The order in which these criteria are applied is referred to as the 'nexus hierarchy'. The hierarchy is intended to identify the jurisdiction with which the RCASP has its strongest nexus and to prevent duplicative reporting across multiple CARF implementing jurisdictions. Where an RCASP has reporting nexuses in the UAE and in one or more Partner Jurisdiction, it should determine its reporting obligations based on the highest-ranking applicable criterion in the hierarchy. An RCASP whose highest-ranking nexus is with a Partner Jurisdiction is relieved of its UAE obligations where it completes its CARF reporting and due diligence obligations in that Partner Jurisdiction. Where the higher-ranking nexus is with a jurisdiction that is not a Partner Jurisdiction, the UAE obligations continue to apply. Partner Jurisdictions are designated by Ministerial Decision. If the RCASP has the same type of nexus with multiple CARF implementing jurisdictions, it may elect one of those jurisdictions in which to fulfil its CARF reporting obligations, provided that the elected jurisdiction is a Partner Jurisdiction and the applicable notification requirements are satisfied. For example, where an RCASP is tax resident in both the UAE and a Partner Jurisdiction, the RCASP may choose to report in either jurisdiction. If it elects to report outside the UAE, it must notify the UAE in accordance with the process and requirements prescribed by the UAE.
12.	Does having customers or users located in the UAE create UAE CARF obligations?	The mere existence of a customer base in a certain jurisdiction is not sufficient to establish a regular place of business for CARF purposes. As such, the presence of customers or Crypto-Asset Users in the UAE does not, by itself, create a reporting nexus or give rise to UAE CARF reporting obligations. The RCASP must still have a relevant UAE nexus, such as tax residence, incorporation, management, or a regular place of business, including through a UAE branch, to have a reporting nexus with the UAE.

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13.	Does the CARF apply to individuals or entities that only serve customers outside the UAE?	The location of customers alone does not determine whether CARF applies. An individual or entity that only serves customers outside the UAE may still be subject to UAE CARF reporting and due diligence obligations if it meets the applicable UAE nexus requirements.
14.	What are the main due diligence and reporting obligations of RCASPs under the CARF?	RCASPs must: • collect and check customer tax-residence information; • identify Reportable Users and Controlling Persons who are Reportable Persons; • identify and annually report all Relevant Transactions carried out in respect of Crypto-Asset Users that are Reportable Users or that have Controlling Persons who are Reportable Persons; and • continuously monitor for changes in circumstances that may affect a user's CARF status, such as changes in tax residence, ownership or Controlling Person information, and update their records accordingly. The above is not a complete list of RCASPs' obligations under the CARF.
15.	Does the RCASP have to decide whether the customer is paying the right amount of tax?	No. The RCASP is not expected to review or determine the customer's income tax position.
16.	Which Crypto-Assets are covered by the CARF, and which are excluded?	CARF covers Crypto-Assets that can be used for payment or investment purposes. The following three categories are excluded from the CARF, but may be covered under the updated Common Reporting Standard (CRS 2.0)[1]: 1. Central Bank Digital Currencies (CBDCs): these are digital currencies issued by central banks. 2. Specified Electronic Money Products (SEMPs): a product qualifies as a SEMP only if it: ▪ represents a single government-issued currency, such as AED or USD; ▪ is issued once the issuer receives funds for the purpose of making payments; ▪ gives the holder a claim against the issuer in the same currency; ▪ can be used to make payments to a person (an individual or an entity) other than the issuer; and ▪ under the rules applicable to the issuer, is redeemable at any time for the same currency at face value. 3. Crypto-Assets that the RCASP has adequately determined cannot be used for payment or investment purposes.
17.	What is the difference between the CARF and the Common Reporting Standard (CRS)?	The CARF and CRS are separate but complementary tax transparency and reporting frameworks.

[1] https://www.oecd.org/en/publications/2025/04/consolidated-text-of-the-common-reporting-standard-2025_e478bc04.html

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		CRS mainly covers traditional Financial Accounts held with Financial Institutions, including certain electronic money products. CARF focuses on Relevant Transactions carried out through RCASPs. An entity that is subject to both frameworks may be able to reuse some of its existing CRS customer due diligence processes. However, it must still meet the specific requirements of the CARF.
18.	What does the requirement to be redeemable "at any time at face value" mean for a Specified Electronic Money Product ("SEMP")?	For a product to qualify as a SEMP, holders must have the right to redeem it at any time for the same government-issued currency at face value. Normal legal or regulatory procedures, such as Anti-Money Laundering (AML) checks or reasonable operating procedures, should not necessarily prevent SEMP treatment if they do not materially limit the holder's right to redeem it at face value.
19.	Do digitally issued or tokenised Financial Assets fall within the scope of the CARF?	The definition of a Crypto-Asset under the CARF is intended to capture assets that can be held and transferred in a decentralised or disintermediated manner, without reliance on traditional financial intermediaries. Accordingly, a digitally issued or tokenised Financial Asset does not fall within the definition of a Crypto-Asset for UAE CARF purposes where, for regulatory or other legal reasons: • the asset can only be held by, and transferred through, Custodial Accounts maintained with one or more Depository or Custodial Institutions; or • the asset represents an Equity Interest in a regulated Investment Entity and can only be registered and transferred through that Investment Entity (or its appointed agent), whether by traditional means or through a distributed ledger controlled by the issuing Investment Entity or its agent. In such cases, the asset may be in scope of the CRS rather than the CARF. Whether information is actually reportable under CRS will depend on the relevant facts and circumstances regarding the Financial Institution, Financial Account and Account Holder. Where these conditions are not met and the asset can be held and transferred in a decentralized manner, the digitally issued or tokenised Financial Asset may fall within the scope of the CARF.
20.	Are non-fungible tokens (NFTs) covered by CARF?	Whether an NFT is covered by the CARF depends on whether it can be used for payment or investment purposes. NFTs that are traded on a marketplace can be used for payment or investment purposes and should therefore be considered Relevant Crypto-Assets. As such, the treatment of each NFT is specific to its own characteristics. This document is for general guidance only. Readers should review the CARF rules to confirm how they apply to a specific NFT and seek professional advice where appropriate.
21.	Are stablecoins covered by CARF?	Stablecoins are generally considered Crypto-Assets but they may fall outside the CARF if they qualify as Specified Electronic Money Products.

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		As such, the treatment of each stablecoin is fact-specific. This document is for general guidance only. Readers should review the CARF rules to confirm how they apply to a specific stablecoin and seek professional advice where appropriate.
22.	Who is considered a Crypto-Asset User?	A Crypto-Asset User is usually the customer for whom the RCASP carries out a Relevant Transaction. If someone acts on behalf of someone else (for example, as an agent, custodian, nominee, signatory, investment advisor, or intermediary), the person on whose behalf they act is generally treated as the Crypto-Asset User. This rule applies where the person acting on their behalf is not a Financial Institution or another RCASP. A merchant's customer may also be treated as a Crypto-Asset User for a payment of more than USD 50,000 (c. AED 183,500) where the RCASP acts for or on behalf of the merchant and is required under the applicable anti-money laundering rules to identify the customer. The RCASP must identify its Crypto-Asset Users and obtain their tax-residence information. For an Entity Crypto-Asset User that is neither an Active Entity nor an Excluded Person, the RCASP must also identify its Controlling Persons and determine whether any of these individuals are Reportable Persons. The RCASP must check that the information provided is complete and reasonable when compared with its 'Know-Your-Customer' ("KYC") records and other information it holds.
23.	Who is a Reportable User?	A Reportable User is a Crypto-Asset User that: • is tax resident in a jurisdiction treated by the UAE as a Reportable Jurisdiction under the UAE CARF rules; and • is not an Excluded Person under the CARF. Excluded Persons are a category of persons that CARF specifically removes from reporting requirements, and include certain government bodies, international organisations, central banks and qualifying financial institutions. An Entity Crypto-Asset User that is not itself a Reportable User may still give rise to reporting obligations where it is neither an Excluded Person nor an Active Entity and has one or more Controlling Persons who are Reportable Persons.
24.	Will CARF create new taxes on Crypto-Assets?	No. CARF is a tax transparency and reporting framework. It does not create a new tax on Crypto-Assets.
B - Reporting		

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25.	What is the format expected for CARF reporting?	CARF reporting and exchange of information will be completed based on the OECD CARF XML schema, which can be accessed through this link: https://mof.gov.ae/wp-content/uploads/2026/09/OECD-Publication-CARF-XML-Schema-and-User-Guide.pdf. RCASPs should ensure that they carefully review the XML schema and user guide and assess all applicable reporting fields and data requirements relevant to their activities. This includes understanding the information required for each applicable field, the relevant data formats and validation requirements, and ensuring that the necessary information is captured and maintained to support accurate and complete CARF reporting.
26.	What types of Crypto-Asset transactions must an RCASP report?	An RCASP must report all Relevant Transactions effectuated in respect of Crypto-Asset Users that are Reportable Users or that have Controlling Persons who are Reportable Persons. The types of transactions that must be reported include: 1. Exchanges between Relevant Crypto-Assets and Government-issued currencies (e.g. AED or USD); 2. Exchanges between one or more forms of Relevant Crypto-Assets; 3. Transfers of Relevant Crypto-Assets, including any Reportable Retail Payment Transactions. Reportable Retail Payment Transactions are transfers of Relevant Crypto-Assets in consideration of goods or services where the value of the individual transaction exceeds USD 50,000 (c. AED 183,500). This threshold applies per transaction. An RCASP must report these transactions on an aggregated basis by type of Relevant Crypto-Asset, and distinguish between inflows (acquisitions or inbound transfers) and outflows (disposals or outbound transfers). Where the RCASP has the information, the reporting on the transfers should also be grouped by type (e.g. airdrops, staking income, loans).
27.	What information must an RCASP report in respect of Reportable Persons and their Relevant Transactions?	For each Reportable Person (including Reportable Users and Controlling Persons who are Reportable Persons), the RCASP must report information to enable the receiving tax authority to identify the person, including: • full name; • residence address; • jurisdiction(s) of residence for tax purposes; • Taxpayer Identification Number(s) (TINs); • in the case of an individual (including a Controlling Person who is a Reportable Person), date and place of birth; and • in the case of a Controlling Person who is a Reportable Person, the role(s) by virtue of which the person is a Controlling Person, such as: ▪ ownership;

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		▪ control through other means; or ▪ senior managing official. Additionally, the RCASP must report information on Relevant Transactions, including: ▪ the full name of each Relevant Crypto-Asset; ▪ acquisitions and disposals of Relevant Crypto-Assets against Fiat Currency; ▪ acquisitions and disposals of Relevant Crypto-Assets against other Relevant Crypto-Assets; ▪ Reportable Retail Payment Transactions; and ▪ other Transfers of Relevant Crypto-Assets to and from the Reportable User.
28.	How are exchanges between Crypto-Assets and government-issued currency valued and reported?	When a user buys or sells a Relevant Crypto-Asset for Fiat Currency (such as AED or USD), the reported figure is the Fiat Currency amount actually paid or received, so the transaction carries no separate valuation. For each type of Relevant Crypto-Asset and each Reporting Period, the RCASP reports purchases (acquisitions against Fiat Currency) and sales (disposals against Fiat Currency) as separate categories, reflecting for each the aggregate gross amount paid or received by the Reportable User, after deducting any transaction fees charged by the RCASP, the aggregate number of units and the number of Relevant Transactions. The amounts are reported in the Fiat Currency in which they were paid or received. If the amounts were paid or received in more than one Fiat Currency, the RCASP must convert the amounts into a single Fiat Currency using a reasonable and consistent method. The RCASP must also state which Fiat Currency has been used for reporting purposes.
29.	How are exchanges between two Crypto-Assets valued and reported?	When one Relevant Crypto-Asset is exchanged for another, for CARF purposes, these are treated as two separate transactions: • a disposal of one Relevant Crypto-Asset, and • an acquisition of the Relevant Crypto-Asset received. The RCASP must determine the fair market value of each asset at the time of the transaction, after deducting any transaction fees, and report the value in a single currency (e.g. AED or USD), using a reasonable and consistent method. Where available, the RCASP may use its own crypto-to-fiat trading prices to determine fair market value.
30.	How are transfers of Relevant Crypto-Assets reported?	For Transfers of Relevant Crypto-Assets made to or by a Reportable User, other than Reportable Retail Payment Transactions, an RCASP must report, for each Reporting Period, the aggregate fair

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		market value, the aggregate number of units and the number of Transfers, subdivided by Transfer type where the RCASP knows it. There is an additional reporting requirement for Transfers by the Reportable User to wallet addresses that the RCASP does not know to be associated with a virtual asset service provider or financial institution, as defined in the FATF Recommendations, sometimes called "unhosted" wallets. For these Transfers, the RCASP must separately report the aggregate fair market value and the aggregate number of units transferred. RCASPs also need to keep records of these wallet addresses, in line with their general record-keeping obligations under CARF and its implementing Cabinet Decision.
31.	How should an RCASP identify a Relevant Crypto-Asset in its CARF report?	For each type of Relevant Crypto-Asset, an RCASP should report: • Where a Digital Token Identifier (DTI) has been issued in respect of the Relevant Crypto-Asset, the name of the Relevant Crypto-Asset using the Digital Token Identifier registered with the Digital Token Identifier Foundation (dtif.org); and • Where no Digital Token Identifier has been issued for the Relevant Crypto-Asset, the full commonly used name of the Relevant Crypto-Asset. The RCASP is not required to create or obtain a DTI solely for CARF reporting purposes.
32.	What is a Reportable Retail Payment Transaction?	A Reportable Retail Payment Transaction is a payment for goods or services using Relevant Crypto-Assets where the value of the payment is more than USD 50,000 (c. AED 183,500). Where an RCASP acts on behalf of a merchant, the customer of the merchant is treated as a Crypto-Asset User for reporting purposes, provided the RCASP is required to verify the customer's identity under domestic AML rules. Although a payment of USD 50,000 or less would not be considered a Reportable Retail Payment Transaction, it may still be reported as a Transfer in respect of the merchant, where the merchant is a Reportable User.
33.	Will every Relevant Transaction be reported one by one?	CARF requires an RCASP to report aggregated amounts, rather than each individual transaction separately. All Relevant Transactions are grouped by each type of Relevant Crypto-Asset and by category, for example: • sales and purchases against Fiat Currency; • exchanges between Relevant Crypto-Assets; • Reportable Retail Payment Transactions; and • other transfers. When reporting:

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		• For fungible assets, transactions involving the same type of assets are generally grouped together; and • For non-fungible assets, each unit whose value differs from other units is treated as a separate type of Relevant Crypto-Asset, so transactions iin each unit are reported separately. The applicable treatment may also vary depending on the specific type of asset or transaction and the information available to the RCASP, so RCASPs should assess grouping requirements on a case-by-case basis where non-standard assets or transaction types are involved.
C - Compliance in the UAE		
34.	When does an RCASP need to start collecting CARF information?	RCASPs must be prepared to collect and verify required CARF information from 1 January 2027.
35.	When will the first CARF report need to be submitted?	The first reporting year is expected to be in 2028, in relation to reportable transactions that occurred during 2027.
36.	What should I do first if I think my activities or my entity may be an RCASP?	Start by assessing the crypto-asset activities performed by you or your entity. In particular, consider whether you or your entity provides, as a business, a service effectuating exchanges between Relevant Crypto-Assets and fiat currencies, or between Relevant Crypto-Assets, for or on behalf of customers, including by acting as a counterparty or intermediary to such exchanges or by making available a trading platform. You should then determine whether you or your entity has a nexus to the UAE, for example through UAE tax residence, incorporation, management, a branch, or a regular place of business in the UAE. If your entity carries out in-scope crypto-asset activities and has a UAE nexus, you should review the UAE CARF rules to determine whether your entity has CARF obligations. You may also wish to seek professional advice where appropriate.
37.	When should an RCASP start collecting self-certifications for new and preexisting relationships?	New relationships: From 1 January 2027, an RCASP must obtain a valid self-certification from each new Crypto-Asset User when establishing the relationship and confirm its reasonableness. Preexisting relationships: An RCASP must obtain a valid self-certification from each Preexisting Crypto-Asset User, and confirm its reasonableness, by 31 December 2027. Preexisting Crypto-Asset User: An individual or entity that has already established a relationship with an RCASP before CARF takes effect on 1 January 2027.