

The UAE Islamic Finance and Halal Industry Strategy

The Central Bank of the UAE's Efforts to Enhance Legal and Shari'ah Certainty for Islamic Banking and Finance: The Legislative Structure for Implementing Strategy

The Cabinet's approved in May 2025 "The UAE Islamic Finance and Halal Industry Strategy 2025 - 2031", aimed at diversifying the economy by capturing global growth opportunities in these sectors. The CBUAE plays a pivotal role in coordinating efforts with federal and local entities in order to integrate Islamic Finance and Halal Industry within the UAE's economic agenda.

₹2.56 Trillion Target Local Islamic Finance Assets by 2031



Vision

For the UAE to be a global hub for Islamic finance and halal industry at the forefront in impact and advanced innovation.



Mission

Capturing opportunities in the global Islamic markets through establishing a robust ecosystem that facilitates global Islamic financial transactions, investments, and trade of halal products; produces high-value halal industry products; and enhances social and environmental impacts for sustainable development.



Strategic Objectives

- Enhance the competitiveness of the the Islamic finance industry and elevate into global scales.
- Strengthen local production and re-export of halal industry products.
- Expand the role of Islamic philanthropy in supporting highly effective sustainable development.



Strategic Initiatives

- Developing large-scale and competitive Islamic financial institutions and promote internationalisation.
- Catalysing the integration between Islamic finance and the halal industry.
- Fostering the global ecosystem for sukuk market, money market, and Islamic funds in the UAE.
- Nurturing an environment to drive innovation in the Islamic finance industry.
- Creating a mechanism for impactful Islamic sustainable finance through international collaboration.



Main Focus Areas

Islamic Finance

Halal Industry

- Creating a supportive ecosystem to scale up local production of high-value halal products.
- Establishing a halal traceability system to boost re-export of halal products.
- Fostering an enabling environment for scaling up local SMEs and technology startups in the halal industry.
- Developing a foundation for strengthening halal tourism, modest fashion, and Islamic-themed media.

Islamic Philanthropy

- Catalysing the adoption of a waqf mechanism in philanthropic activities across public private sectors.
- Establish solutions that enable transparent monitoring when impacts of Islamic philanthropy.



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The UAE has reinforced its position as a leading global hub in Islamic finance through a comprehensive ecosystem of legal, Shari'ah, regulatory frameworks and governance systems led by the Central Bank of the UAE.



Objectives



Enhancing Trust in
Islamic Finance Services



Establishing an Advanced
Legislative and Legal Environment
to Support Innovation



Protecting
Customers' Rights



Supporting an advanced financial
system that meets the requirements of
all segments of society



Enhancing Legal Certainty

1

Commercial Transactions Law

(Federal Decree by Law No. 50 of 2022)

The first commercial law that regulates Islamic finance contracts and provides a clear and specific legal reference for Shari'ah compliant transactions through:

- Allocating a full chapter for Islamic finance that includes the forms and provisions of contracts and financings.
- Linking the provisions of the law to the Shari'ah standards issued by the Higher Shari'ah Authority, providing a clear method to interpretation and resolving disputes.
- Empowering the Central Bank to issue regulations after the approval by the Higher Shari'ah Authority.

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Central Bank Law

(Federal Decree-Law No. 6 of 2025)

The law has regulates the Islamic Finance Institutions' business activity and their supervisory and Shari'ah frameworks. Key highlights are:

- Excluding Islamic financial institutions from the prohibition of trading in real estate and goods on the bank's account, to the extent required to implement financing forms in line with Islamic Shari'ah.
- Exempting Islamic financial transactions from registration requirements or similar fees or costs.



Reinforcing Sharia'h Certainty Pillars

The Higher Shari'ah Authority at the Central Bank was established in 2018 to standardise the Shari'ah aspects for Islamic financial institutions and unify their practices, in line with internationally recognized Shari'ah standards. To this end, the following was issued:

- More than 280 standards and resolutions regulating Islamic financial transactions and minimising differences in Shari'ah views.
- More than 9 Shari'ah governance standards, setting rules For ensure compliance with Shari'ah standards.
- Prudential standards that enhance financial integrity, risk management and stability of Islamic financial institutions.



Impacts & Results



Clear rights and obligations, and ability to implement contracts compatible with Shari'ah



Standard Shari'ah interpretations through the Higher Shari'ah Authority



Stable Islamic financial transactions through an integrated supervisory and Shari'ah framework



reduction of legal and Shari'ah disputes



Global Indicators



₹1.4

Trillion
Islamic Banks Assets
as of June 2026



3rd Position

The UAE Global Ranking in the Islamic
Finance Development Indicator 2025



43

Islamic Financial Institutions
licenced in the UAE



280

Regulatory Standards
and Resolutions



9

Governance
Standards