



CONSULTATION PAPER NO. 3

June 2026

Updated Data Protection Regulations

CONSULTATION PAPER - DATA PROTECTION REGULATIONS

Why are we issuing this paper?

1. The Dubai International Financial Centre Authority (“**DIFCA**”) proposes to amend the DIFC Data Protection Regulations (the “**DP Regulations**”), which implement the Data Protection Law, DIFC Law No. 5 of 2020 (the “**Law**”) to update Regulation 10 regarding embedding safety into Systems, especially when processing Personal Data in a AI native jurisdiction. Further updates include clarification of Systems certification obligations and of the Autonomous Systems Officer (“**ASO**”) role. In addition, DIFCA proposes to add a new Regulation 11 regarding the Commissioner’s powers to recognise accreditation and certification schemes. This Consultation Paper No. 2 of 2026 (“**Consultation Paper**”) seeks public comments on the amended DP Regulations (the “**Proposed Regulations**”).

Who should read this paper?

2. This Consultation Paper would be of interest to persons conducting or proposing to conduct business in the DIFC. In particular:
 - a. Innovation and other companies with technology-based activities (“**PCs**”);
 - b. Companies, including vendors and suppliers, of Systems supporting AI-native activities;
 - c. Organisations seeking accreditation authority or a certification framework issued under specific rules, systems or regimes; or
 - d. Legal advisors advising on matters relating to any of the above.

How to provide comments

3. All comments should be provided to the person specified below:

Jacques Visser
Chief Legal Officer
DIFC Authority
Level 14, The Gate, P. O. Box 74777
Dubai, United Arab Emirates
or e-mailed to: consultation@difc.ae

4. You may choose to identify the organisation you represent in your comments.

5. DIFCA reserves the right to publish, on its website or elsewhere, any comments you provide, unless you expressly request otherwise at the time the comments are made.

What happens next?

6. The deadline for providing comments on the proposals in this Consultation Paper is 18 July 2026.
7. Once we receive your comments, we will consider if any further refinements are required to the proposed amendments. Once DIFCA considers the changes to be in a suitable form, the Proposed Regulations will be enacted, to come in to force on a date specified and published.
8. The Proposed Regulations are in draft form only. You should not act on them until they are formally enacted. We will issue a notice on our website when this happens.

Defined terms

9. Defined terms are identified throughout this paper by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Proposed Regulations. Unless the context otherwise requires, where capitalisation of the initial letter is not used, the expression has its natural meaning.

Background

10. The DP Regulations were updated in 2023 to provide controls and guardrails around Personal Data collection and use for processing in a variety of new ways, including via platforms built through digital enablement technology systems such as artificial intelligence (“**Systems**”).
11. While such Systems are a powerful and useful tool in daily life, the amount of Personal Data processing that occurs to power them is exponentially more than that used in any other technology that came before them.
12. Implementing enhanced technical, organisational, and ethical obligations of Controllers and Processors are the starting point for “regulating” any types of generative, machine-learning, large language model-powered Systems.
13. Until such Systems and relevant use cases for them are better understood, setting out regulations reinforcing relevant controls and concepts to fairly and ethically develop them is of immediate concern.
14. Regulation 10 addresses these obligations, controls and concepts, incorporating requirements that ensure compliance with critical parts of the DPL.
15. In addition, because certification is a foundational requirement in Regulation 10 to demonstrate privacy by design in any System, and more generally serves as a reliable privacy by design measure, Regulation 11 has been drafted so the Commissioner is empowered to recognise accreditation and certification frameworks by publication on the DIFC website or otherwise.

Key Changes Proposed

16. The key changes in the Proposed Regulations include the following:
 - a. Clarifying requirements for the safe and ethical operation of an AI-native jurisdiction.
 - b. Clarifying the details of the ASO role.
 - c. Recognition of accreditation and certification frameworks by publication.
 - d. Other consequential changes.

Safe and Responsible AI-Native Jurisdiction

17. In April 2026, DIFCA announced its intention to become the world's first AI-native financial centre. This initiative is intended to reinforce the Dubai Economic Agenda D33, and building a resilient, forward-looking digital economy.
18. To do so, Regulation 10 has been adapted to:
 - a. update Regulation 10.2.2(b) regarding the types of design or development instruments to be included in relevant notices by reference to the broader term "policy frameworks" rather than the narrower term "principles", allowing for additional flexibility in describing Systems;
 - b. define the concept of "Safety" as an additional base concept for responsible Systems design; and
 - c. set out necessary privacy by design and default measures to be implemented in order to comply with the Law or relevant applicable legislation, particularly with respect to an AI-native approach to Systems implementation.
19. Updated Regulation 10.3.3 provides detailed ASO obligations and skills, based on benchmarking undertaken by the Commissioner's office as well as criteria promulgated in other jurisdictions, where available. The ASO certification that will be developed separately based on these updates will be among the first if not the first of its kind.

- Q1. Do you understand and agree with the changes to Regulation 10, particularly with respect to the AI-native jurisdiction initiative? If not, please provide your reasoning and details of specific concerns.**
- Q2. Do you understand and agree with new concept definition of "Safety" included in Regulation 10.3.1(f)? Please provide your reasoning and details of specific feedback, including any ambiguity or concerns.**
- Q3. Do you believe the ASO obligations and skills have been sufficiently detailed in this update? If not, please suggest additional requirements and your reasons for this.**
- Q4. Is Regulation 11 clear and aligned with legal frameworks implementing similar accreditation and certification standards, such as the Global Cross Border Privacy Rules and Privacy Recognition for Processors?**
- Q5. Do you have any other comments or suggestions in relation to the proposed updates?**

Legislative proposal

20. This legislative proposal contains the following:
- (a) the Proposed Regulations (at Annex A); and
 - (b) a table of comments to provide your views and comments on the consultation paper (at Annex B).