



United Arab Emirates

United Arab Emirates Securities and Commodities Authority
Chairman's office

The Chairman of the Authority's Board of Directors' Resolution No. (14/ Chairman) of 2025 Amending the Regulations Manual of the Financial Activities Approved by the Chairman of the Authority's Board of Directors' Resolution No. (13) of 2021

The Chairman of the Securities and Commodities Authority' Board of Directors,

Having perused:

Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, as amended;

Cabinet Resolution No. (13) of 2000 concerning the Regulation as to the Functioning of the Securities & Commodities Authority, as amended;

Cabinet Resolution No. (51/ 2 G) of 2025 concerning the Restructuring the Securities & Commodities Authority' Board of Directors; and



United Arab Emirates

The Chairman of the Authority's Board of Directors' Resolution No. (13/ Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms, as amended.

Pursuant to the approval of the Authority's Board of Directors by circulation;

And as required by the interest of work,

Has Decided:

Article (1)

The definitions shown below shall be added to the (Glossary of Terms) of the regulations manual of the financial activities as follows:

Robo-Advisor Service : An algorithm-based technology platform for providing automated investment advice and recommendations to clients within the portfolio management activity, with the aim of creating, managing and rebalancing a client's investment portfolio using artificial intelligence (AI) models and/ or algorithms in line



United Arab Emirates

with the client's risk profile, investment objectives, market data and other assumptions.

Robo-Advisor Algorithms

: Complex mathematical programs driven by artificial intelligence (AI) or simple rule-based engines that form the core mechanism of robo-advisory services. They are used to analyze market data, evaluate investment decisions, asset allocation , and automatically build investment portfolios, while continuously rebalancing them according to market fluctuations, the client's investment objectives, and client's risk tolerance, with the aim of assessing risks and generating investment recommendations, within a transparent framework that enhances investor confidence and ensures compliance with legislations.

Stress Test of Robo- Advisor Algorithms :

Rigorous procedures to evaluate the performance of an investment portfolio under extreme market conditions by simulating extreme economic scenarios to analyze how automated investment strategies, such as recessions or market crashes, are affected to ensure the reliability, stability and effectiveness of algorithms under different market conditions.

Artificial Intelligence (AI) Risks :

Risks resulting from the use of artificial intelligence (AI) systems or algorithms in providing financial services, including, but not limited to: (Model Drift) resulting from changes in input data or data imbalance, illogical or unexpected decisions resulting from the system (hallucination), (Explainability Loss) of system outputs, (Algorithmic Bias) that leads to unfair or unjust outcomes for certain

client groups, use of inappropriate or outdated training data, or reliance on inaccurate assumptions.

Article (2)

A new paragraph shall be added to Section 3 (Business Conduct) / Chapter Five / Article (9) (Portfolio Management) under number (Third) as follows:

Third: Robo Advisor Service:

The licensed entity may provide the Robo Advisor service to its clients after notifying the Authority and providing it with confirmation that all the requirements and conditions shown below have been met before activating the service:

1. Contracting with an external IT auditor –who has no interest or relationship with the licensed entity or any of its board members or executive management –, and who has proven experience in evaluating AI systems and digital financial applications, and holds any of the certificates specified in Appendix No. (8) (First).
2. Providing a platform to offer the Robo-Advisor Service to clients, along with clear educational materials for them,



United Arab Emirates

including, at a minimum, the data and conditions specified in Appendix No. (8) (Second) and (Third).

3. Implementing the necessary measures to manage AI risks in accordance with Appendix No. (8) (Fourth).
4. Providing all the technical and technological requirements necessary to provide the service in accordance with Appendix No. (8) (Fifth).
5. Issuing a report certified by an external IT auditor before launching the platform. The report shall include, at a minimum, the data specified in Appendix No. (8) Sixth.
6. Providing qualified employees to manage the Robo-Adviser algorithms including the, design, operation, and testing of the platform, supervise its operations, and ensure its compliance with the regulatory controls issued by the Authority. The employees shall have the competence and practical experience in the fields of investment analysis, risk management, or algorithmic model development, the ability to assess the suitability of investment recommendations and analyze the resulting technical risks, and be familiar with data management and technical governance frameworks. These tasks may be outsourced to a specialized entity in



United Arab Emirates

accordance with the outsourcing controls approved by the Authority.

7. Appointing an internal officer specialized in monitoring the platform's algorithmic behavior to ensure that clients are not led to make biased, random, or ill-considered investment decisions as a result of hidden biases or illusions of certainty.
8. Providing periodic and approved training programs for all employees associated with the robo-advisor platform, and maintaining documented records of all training programs, the names of participants, and the dates of their implementation, and submitting the records to the Authority upon request, provided that they include the data specified in Appendix No. (8) Seventh.
9. Demonstrating the responsibilities of the "algorithm designer," the licensed entity, and the human oversight element involved, to clarify responsibility in the event of harm to the client, and including the same in the technical systems manual.
10. Ensuring the role of the human element in reviewing robo-advisor decisions, and including the same in the compliance manual.



United Arab Emirates

11. Include, within the agreement with the broker when integrated with the platform- in cases where the client requests the provision of an automated financial advisory service and automated execution of trading transactions resulting from such advisory services, a statement confirming that the broker's electronic systems provide the following:

- A. Notifying the client of the need to comply with the rules for disclosing the percentages he owns, whether alone or with related parties.
- B. Ensuring that financial products in which the client considered as an insider are excluded and not traded.
- C. The ability to divide buy and sell orders in the event that the market is unable to accommodate the entire order.
- D. Immediately notifying the client of the status of trading orders for his investment portfolio, and retaining all past and present trading transactions executed on his behalf.
- E. Obtaining the client's approval for transactions executed on his behalf in cases where the client does not desire for such transactions to be executed automatically.

F. Apply standardized interface design and data exchange when using application programming interfaces (APIs) within the platform, ensuring interoperability and data security, ensuring that the interfaces used are based on internationally recognized protocols and designs whenever possible, while documenting and disclosing the design standards upon request.

12. Bearing responsibility for the recommendations issued by the robo-advisor, including any losses incurred by the client if these recommendations result from proven flaws or biases in the algorithms, while committing to establishing a clear mechanism to compensate affected clients in accordance with the disclosure terms provided to them.

13. Verifying the suitability of the investment product for the client, supervising the accuracy and quality of the robo-advisor's outputs, and ensuring their compatibility with the client's interests. This service does not exempt the licensed entity from its legal responsibilities.

14. Conducting a quarterly cybersecurity audit of the platform by the contracted external IT auditor or another auditor who meets the same requirements to verify:



United Arab Emirates

- A. The integrity of data protection practices, detect vulnerabilities, and ensure compliance.
- B. Any specialized security vulnerabilities in AI components, including recommendation models and processing algorithms, and machine learning services associated with the robo-advisor, to detect vulnerabilities in the intelligent architecture.

15. Conducting an audit by an external IT auditor at least once a year, and each time a material modification is made to the service, in order to verify the following:

- A. The integrity, accuracy, and compliance of the robo-advisor's algorithms with standards and the client's best interests.
- B. The accuracy of the robo-advisor's algorithms in interpreting market data.
- C. The performance of the risk management systems and mechanisms to mitigate deviations or errors that may result from the use of the robo-advisor's algorithms.
- D. Analyzing the performance of the robo-advisor's algorithms, assessing the operational and investment risks associated with the service, the results of stress-



United Arab Emirates

testing of the algorithms and performance models under volatile market conditions.

- E. Documenting the audit results and making necessary improvements.
16. Conducting an independent quarterly review by an external IT auditor covering the platform's security and technical aspects, including algorithm performance and compliance with best practices, and submitting a detailed report to the Authority containing:
 - A. Detected security vulnerabilities.
 - B. Observations on system performance.
 - C. Corrective recommendations, within a period not exceeding 30 days from the conclusion of the audit.
17. Documenting all audits and verification processes related to AI algorithms, including evaluating the overall performance of the model, the stability of its results, and their consistency across different time periods, in addition to documenting the results of periodic real-time performance analysis reviews.
18. Making necessary improvements to the platform based on audit reports and observations.



United Arab Emirates

19. Preparing a plan to be activated in the event of the platform's termination, including stressed and non-stressed exit scenarios for the software or algorithms on which the robo-advisor platform relies. This plan shall include the following:
 - A. Procedures for secure data recovery;
 - B. Alternative measures to ensure service continuity in the event that the current platform becomes unusable.
 - C. The proposed mechanism for notifying clients and the Authority in the event of the implementation of the exit and termination plan;
 - D. The expected timeline for implementing the plan and ensuring a smooth transition without impacting customer interests.
20. Notifying the Authority and clients of any security breach within (3) three working days of becoming aware thereof. The notification shall include details of the breach, its impact on clients, and the measures taken to address it.
21. Providing the Authority with quarterly reports containing the results of cybersecurity checks and audits, including the results of client data protection assessments and the results of platform testing against cyberattacks.



United Arab Emirates

22. Providing the Authority with quarterly reports on the platform operation follow up procedures and its operation results, including in particular the following:

- A. Major developments across all administrative, technological, financial, and other key aspects related to service provision.
- B. A statement of the number of clients transacting through the platform and their total transactions.
- C. Platform performance metrics.
- D. Description of client complaints.
- E. Amendments made to the robo-advisor algorithms or risk parameters.
- F. The percentage of orders manually modified by the user or a human element.
- G. The percentage of recommendations not executed due to technical errors.
- H. The number of price deviations or incorrect analysis cases detected by monitoring tools, and the reasons for substantial changes to the algorithms, specifying the



United Arab Emirates

scope of the change, its causes, expected results, and associated risks.

23. Providing the Authority with any reports it requests within the period specified by the Authority.

24. Any amendments or improvements requested by the Authority within the period specified by it.

Article (3)

A new appendix shall be added to Chapter Three (Business Practice) of the Regulations Manual of the Financial Activities under number (8), titled “Technical Controls and Requirements of the Robo-Advisory Service,” as follows:

First: Certificates required for the External IT Auditor, of which the auditor must hold at least one:

1- Certificate of Certified Information Systems Auditor (CISA) or Certified Information Security Manager (CISM) issued by the Information Systems Audit and Control Association (ISACA).



United Arab Emirates

- 2- Certified Information Systems Security Professional (CISSP) issued by the International Information System Security Certificate Consortium (ISC).
- 3- Computer Hacking Forensic Investigator (CHFI).
- 4- Certified Ethical Hacker (CEH).
- 5- Certified Information Systems Risk and Compliance Professional (CISRCP)
- 6- Accreditation from a recognized and reputable body to certify the compliance with the relevant ISO 27001 Lead Auditor standards.

Second: Conditions to be met by the Platform Providing the Robo-Advisory Service to Clients:

- 1- Providing a clear and written disclosure to the client that accurately explains the nature of the Robo-Advisory service and the client's related obligations, while ensuring the client's consent to activate automated portfolio management



United Arab Emirates

based on advisory recommendations, the client's awareness of the associated risks, and acknowledgment of the service's suitability to their investment profile.

- 2- Ensuring the client's understanding of their responsibility for the final investment decision in cases where automated execution is not utilized, in accordance with the principle of "Algorithmic Accountability," and reducing any misunderstanding regarding the nature of the advice provided.
- 3- Confirming that the client is informed through a clear and documented electronic means within the platform (such as an electronic confirmation window, a digital acknowledgment form, or a direct notice) that the Robo-Advisory service does not fully replace the role of the portfolio manager, and that the client has the right to seek the portfolio manager's advice in certain cases, including—but not limited to—complex or high-risk investments,



United Arab Emirates

unusual market conditions, or any other circumstances deemed by the licensed entity or the Authority to require the intervention of the portfolio manager to safeguard the investor's interests. This confirmation must be electronically recorded within the client's investment profile, retained, and made available to the Authority upon request.

- 4- Ensuring the client's consent is obtained prior to executing any buy or sell orders resulting from the portfolio management process, in cases where the management is conducted on a non-discretionary basis.
- 5- Providing the client with real-time notifications regarding changes in order status, along with regular summary reports on executed and pending orders, to ensure the client's understanding of the current status of their investment portfolio and any unexecuted orders.
- 6- Updating the client's profile based on their risk tolerance, investment objectives, and significant changes to their



United Arab Emirates

financial circumstances, in accordance with their suitability standards.

- 7- Avoiding concentration in specific assets or sectors, ensuring that the client's investment portfolio is based on diversification standards agreed upon with the client, in a manner consistent with their risk profile and stated investment preferences.
- 8- Disclosing to the client the total cost of the Robo-Advisory services, as well as any potential conflicts of interest in the transactions or automated advisory services provided to them.
- 9- Facilitating client's access to educational materials, whether through the application or the website, in a manner appropriate for different client segments (beginners, intermediate, and professional investors).
- 10- Providing the client with a detailed periodic report that includes:



United Arab Emirates

- All transactions executed through the Robo-Advisory system.
- Analysis of the portfolio's key performance indicators (KPIs).
- A comparative analysis between actual performance and investment expectations to identify deviations and their causes.

11- Real-time rebalancing mechanisms to maintain assets allocation in accordance with the standards agreed upon with the client.

12- Mechanisms for detecting execution errors and reporting them immediately upon occurrence—such as incorrect pricing, duplicate orders, or erroneous trades—while notifying the client promptly upon the detection of an error, and implementing a clear protocol for resolving the issue in a manner that protects the client's interests.

- 13- A mechanism that allows the portfolio manager to review or modify investment recommendations when necessary.
- 14- A mechanism to encrypt all client trading data using industry-approved encryption methods (such as AES-256) and to store such data securely, ensuring it is accessible only to authorized personnel, while adhering to best practices such as using Hardware Security Modules (HSMs) to protect client privacy and ensure data security.
- 15- A mechanism for storing client data in compliance with the applicable data protection laws in the state, with the retention period not being less than the minimum required by the prevailing regulations.
- 16- Documenting the decision-making methodology and the technical specifications for each algorithm used, including data inputs, risk management parameters, and any modifications made to them.



United Arab Emirates

- 17- Including all investment recommendations issued by the Robo-Advisory system, with clear and logical explanations that facilitate client understanding.
- 18- Full disclosure of the data sources used to train the Robo-Advisory algorithms, specifying whether such data includes market and trading data, external data platform sources, and client data.
- 19- A statement on data quality, its neutrality, and its compliance with ethical and technical standards.
- 20- Easy-to-understand summaries explaining the logic of the algorithms and the key factors influencing the recommendations, in addition to detailed documentation of the technical methodology used.
- 21- The necessary mechanisms to enable comprehensive traceability of every automated decision (Decision Traceability Log) including input data, selection criteria, the resulting decision, and any subsequent human intervention.



United Arab Emirates

- 22- A secure Human-in-the-Loop (HITL) mechanism to allow human intervention in cases of significant deviations in algorithm performance or unexpected conditions, with an integrated automated alert system to notify analysts of unexpected changes to portfolio performance.
- 23- A Multi-Factor Authentication (MFA) mechanism for all users to access the platform or modify recommendation parameters.
- 24- A digital mechanism for the periodic updating of suitability data, requiring clients to review and update their investment profile every 6 to 12 months, or upon significant changes to market conditions or their financial situation.
- 25- Interactive digital interfaces that assist clients in understanding the characteristics of their investment profile (such as risk level, asset allocation, and investment objectives), using simplified visual tools that take into account the varying levels of financial literacy.



United Arab Emirates

- 26- Implementation of an Automated Periodic Suitability Assessment, whereby the system prevents the issuance of recommendations if the client's data is outdated or indicates a change in their investment goals or risk tolerance.
- 27- Adoption of the "Explainability by Design" principle, whereby the system interface is designed from the outset to be understandable to non-experts and to provide a simplified explanation of how recommendations are generated (e.g., "This product was suggested based on your high-risk tolerance and long-term growth objective").

Third: Educational Materials for clients that must be available on the Platform:

- 1- The platform's automated operations, the limits of automated recommendations, how investment decisions are made, the accuracy of the data provided regarding investment portfolio performance, and a clear statement that such

recommendations do not guarantee profits or specific future performance.

- 2- Interactive financial education programs covering fundamental concepts such as the concept of Robo-Advisors, the differences between traditional and automated advice, the risks of fully relying on automated recommendations, and the basic principles of long-term investing.
- 3- Mechanisms for rebalancing or adjusting the investment portfolio based on market conditions or client profiles.
- 4- The risks associated with automated recommendations, reliance on Robo-Advisory algorithms, investment portfolio performance expectations, and potential risks of automated trading under volatile conditions, along with stating any protective measures taken to safeguard the client's interests during periods of market turbulence.
- 5- Any limitations or assumptions of the Robo-Advisory algorithms, and potential constraints in the execution of



United Arab Emirates

automated orders—such as market liquidity constraints, processing delays, or other factors that may affect trade outcomes—to ensure the client's understanding of these limitations.

6- Detailed guidance on expected secure access protocols to protect client information and ensure compliance with data protection laws, including multi-factor authentication, secure password policies, and regular client training on cybersecurity awareness.

Fourth: Necessary Measures for Managing AI Risks

1- Identifying and documenting sources of AI-related risks that may impact investment decisions or client safety, including model performance drift, algorithmic biases, and loss of explainability in outputs.

2- Designing and implementing a comprehensive AI risk management framework that includes the following:



United Arab Emirates

- A- A continuous monitoring mechanism for algorithm performance and verification of output consistency.
- B- Periodic review of machine learning models to ensure their continued effectiveness and accuracy.
- C- Documenting the rationale behind any investment decision made by the system to ensure traceability and explainability.

3- Providing independent human oversight of system outputs in the following cases:

- A- Unusual or volatile market conditions.
- B- Issuance of investment recommendations that deviate from the client's profile or agreed risk level.
- C- Occurrence of unexpected system behavior or outputs that are difficult to interpret.

4- Notifying the Authority of any incident related to AI risks within no more than five (5) business days from the date the



United Arab Emirates

platform operator becomes aware of any security breach, along with a detailed report that includes:

- A- A description of the incident and its potential impact on clients and their data.
- B- Corrective measures taken.
- C- Preventive measures implemented to avoid recurrence.

5- Immediately notifying clients through reliable means in the event that the incident mentioned in clause (4/fifth) hereof has or may have a direct impact on their data or funds, while providing a remediation plan and ensuring full transparency. The Authority may also request additional detailed reports within a time frame it deems appropriate based on the nature of the incident.

6- Conducting internal reviews of the approved algorithmic system components at least once every six (6) months and documenting the outcomes of these reviews.



United Arab Emirates

- 7- Including the AI risk management plan within the entity's approved internal compliance and risk management policies.
- 8- Ensuring the quality and consistency of the data used to train and operate the models, and verifying that it is free from errors or inconsistencies that could negatively affect the investment recommendations.
- 9- Applying advanced AI methods, such as Reinforcement Learning, to improve model performance over time and reduce deviations caused by market volatility.
- 10- Establishing clear ethical guidelines as part of the development and activation of robo-advisor algorithms, including the avoidance of bias, ensuring fairness in processing, transparency of decisions, and equal treatment of all categories of clients.
11. Providing the necessary tools for assessing the ethical impact of AI algorithms, such as:

- A. AI Ethics Checklists.
- B. Periodic supervisory questionnaires to evaluate the extent to which fairness and transparency are observed in operational models.
- 12. Utilizing tools based on AI itself to detect unintended biases (Unintended Bias Detection), thereby ensuring that no age group, income level, or specific category of investors is favored or discriminated against.
- 13. Activating an automated system for detecting extreme investment decisions, such as a sudden shift toward high-risk assets, a sharp decline in diversification, or unusual financial patterns, with enabling the automatic halt feature to suspend such decisions pending review by the licensed entity's management.
- 14. Providing a mechanism for reporting incidents related to the use of AI, which shall include the classification of incidents, their level of impact, the time taken for detection and



United Arab Emirates

response, and providing an electronic channel dedicated for the reports submitted to the Authority.

15. Integrating the results and outputs of the robo-advisor platform within the licensed entity's Enterprise Risk Management (ERM) framework to ensure a unified strategic response to any risks arising from the platform.

16. Providing a dedicated dashboard for non-professional retail clients that includes simplified indicators such as "current risk level and algorithm performance versus the market," using plain language that avoids technical jargon.

Fifth: Technical and Technological Requirements for the Provision of (Robo-Advisor) Service:

1. Implement independent review procedures prior to executing investment recommendations generated by AI in high-risk cases, and provide clear protocols for managing or stopping automated trades during periods of high market fluctuations.



United Arab Emirates

2. Document all human interventions in robo-advisor decisions, particularly in high-risk cases or during abnormal market fluctuations, for audit and supervisory purposes.
3. Use explainable AI (Explainable AI – XAI) techniques, especially in cases involving complex recommendations or recommendations targeting retail clients, to enable a clear and direct explanation of the rationale behind the recommendation, in compliance with the principles of the Financial Action Task Force (FATF).
4. Refrain from using non-explainable “black box” AI models in the process of providing investment recommendations.
5. Conduct an impact assessment for any modifications made to robo-advisor algorithms and notify clients where necessary, particularly where such modifications affect portfolio management outcomes.
6. Perform semi-annual performance and stability testing of robo-advisor algorithms to detect any unexpected changes in



United Arab Emirates

performance of models (Model Drift). These tests shall include mechanisms for early detection of performance deviations or potential errors resulting from market changes or updates in clients' risk profiles, with the implementation of necessary corrective measures, and ensuring alignment with client risk profiles and performance expectations. The test results shall be documented and provided to the Authority upon request.

7. Conduct monthly stress test of robo-advisor algorithms and market simulations, document the test results, and make simplified versions available to clients to ensure transparency, and provide the results to the Authority upon request.
8. Conduct dedicated stress tests to simulate AI failure scenarios, including model drift, exploitation of algorithmic vulnerabilities, or unexpected model behaviors under operational stress conditions.



United Arab Emirates

9. Provide clear protocols for the periodic review and updating of robo-advisor algorithms and their investment recommendations, to ensure continued alignment with market developments, changes in investment conditions, and the client's risk profile. Such reviews and their outcomes shall be documented in internal records and made available to the Authority upon request.
10. Establish a clear internal protocol to ensure immediate verification of the robo-advisor's performance in the event of material changes in client data or market conditions, to ensure the continued accuracy and suitability of its recommendations.
11. Implement periodic mechanisms for assessing algorithmic biases, including the use of bias analysis tools, comparison of model outcomes across client segments, and reference to best practices such as "Fairness in AI" techniques, while

training staff to detect biases and analyze their impact on investment recommendations.

12. Review real-time performance analysis to ensure that no unexpected deviations occur in model performance, and take the necessary corrective actions when needed.
13. Use automated real-time monitoring systems to immediately detect any deviations in algorithm performance, unusual recommendations, or unexpected behavioral patterns, and promptly notify supervisory teams.
14. Conduct semi-annual data recovery and backup testing of the robo-advisor platform, ensuring that such tests include determination of the expected recovery time (Recovery Time Objective) and mechanisms for verification of the integrity and effectiveness of backup copies.
15. Identify and monitor key performance indicators (KPIs) for the robo-advisor platform, such as recommendation accuracy, rebalancing rates, levels of client satisfaction or



United Arab Emirates

complaints, etc. and submit these indicators to the Authority on a quarterly basis.

16. Implement process of continuous monitoring of algorithm performance using big data analytics tools to assess the effectiveness of investment recommendations and their alignment with market and economic changes.
17. Activate an internal sandbox environment on a continuous basis to test any updates to algorithms, computational logic, or data prior to their actual implementation for clients, in order to ensure the stability and reliability of outcomes.
18. In the event that Distributed Ledger Technology (DLT) is used in the robo-advisor platform, the following requirements must be observed:
 - A. Define access permissions to the ledger, the consensus protocol used, and key management mechanisms.



United Arab Emirates

- B. Establish a comprehensive governance policy for the ledger and documentation of related operations.
- C. Ensure the auditability of recorded operations without affecting the client's privacy or financial data.

Sixth: Minimum Data of the External IT Auditor's Report Prior to Platform Operation:

- 1. A comprehensive description of the platform, its capabilities, and the robo-advisor algorithms in use.
- 2. A statement on the adequacy of procedures, personnel, and staff responsible for the design, implementation, testing, operation, and monitoring of the platform at the licensed entity.
- 3. A description of the methodology and strategy on which the platform relies for building robo-advisor algorithms, as well as the assumptions and data inputs used to generate recommendations.



United Arab Emirates

4. An assessment of the algorithms' methodology and its impact on the fairness and integrity of the recommendations provided to clients.
5. A statement of the tests conducted on the platform to ensure that the applied methodology and strategy produce accurate outputs consistent with the inputs.
6. An evaluation of risks, scope of operations, and the targeted categories of clients.
7. The methodology for determining the risk level of the financial products, subject to investment.
8. The methodology for determining the risk tolerance level accepted by the client, and how this level is incorporated into the recommendation issued by the platform.
9. An evaluation of risk management systems related to administrative, technological, financial, and other key aspects associated with the provision of the service.



United Arab Emirates

10. Confirm that the platform documents all services provided to the client.
11. Confirm the robo-advisor platform's capability to make immediate adjustments to investment portfolios in the event of material changes in client data or market conditions.
12. Establish effective procedures for managing conflicts of interest, including advanced digital mechanisms for detecting incidents suspected of involving conflicts of interest—particularly those related to outputs from the robo-advisor platform concerning financial products issued by the licensed entity or any of the entities affiliated to their financial group. This shall be accompanied by an automatic alert system that immediately notifies the relevant management team to take appropriate corrective actions, in addition to disclosing such incidents to the client.

Seventh: Employee Training Programs, which must include the following:



United Arab Emirates

1. The nature of technical risks associated with AI, including model drift and biased or unexpected recommendations.
2. Algorithmic bias analysis, training on the use of early bias detection tools, and techniques related to “Fairness in AI.”
3. Automation of investment advices and the mechanisms for their use, including how to interpret results to clients and ensure compliance with each client’s risk profile.
4. Technical and professional knowledge in AI, risk management, and Cybersecurity, provided that such programs shall be up-to-date and internationally recognized.
5. Specialized professional certificates to qualify risk management personnel, such as the Financial Risk Manager (FRM) certificate or equivalent, to enhance the ability to monitor risks arising from the use of algorithms.

Eighth: The licensed entity may use advanced technologies, such as Blockchain, to document all transactions and modifications related to the robo-advisor’s recommendations, in



United Arab Emirates

order to ensure transparency and prevent tampering with the activity log.

Ninth: The CEO may amend this appendix as necessary to ensure the implementation of its provisions.

Article (4)

This Resolution shall be published in the Official Gazette and shall come into force on the day following its publication.

Mohamed Ali Al Shorafa Al Hammadi

Chairman of the Board of Directors

Issued in Abu Dhabi on: 23/ 06/ 2025.