

ADGM Registration Authority (RA)
Guidance on Crypto Mining Activities in and from ADGM

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1. Introduction & Regulatory Context

1.1. Definitions

Capitalised terms, not otherwise defined in this document, shall have the following meanings:

Term / Acronym	Definition
ADGM	Abu Dhabi Global Market.
Commercial Licence	A licence issued by the RA under the Commercial Licensing Regulations 2025, permitting a person to carry on one or more specified non-financial activities in or from ADGM.
Digital Assets	Digital Assets shall have the same meaning as provided for under FSRA guidance.
Crypto Mining	As defined under ADGM Business Activity 7230.
FSRA	The Financial Services Regulatory Authority of ADGM.
PoS	Proof-of-Stake, a type of blockchain consensus mechanism.
PoW	Proof-of-Work, a type of blockchain consensus mechanism.
RA	The Registration Authority of ADGM.

1.2 ADGM's Role in Technological Innovation

ADGM is an international financial centre recognised for its progressive and comprehensive legal framework based on English common law. It has established itself as a hub for financial technology (fintech) and emerging technologies by fostering new business models while ensuring market integrity. This commitment to responsible innovation has positioned ADGM as a leading jurisdiction for blockchain and virtual asset initiatives, aligning with the United Arab Emirates' strategic vision for a diversified, knowledge-based economy.

1.3. Regulatory Status of Crypto Mining

Crypto Mining is not classified as a regulated financial service. Crypto Mining is, however, caught under the ADGM's commercial licensing regime.

Pursuant to the ADGM Commercial Licensing Regulations 2025 (**CLR 2025**), no person may carry on a business activity in or from ADGM without holding the appropriate licence issued by the RA. Therefore, while companies engaged in Crypto Mining do not require approval from the FSRA, they **must** register with the RA, obtain a Commercial Licence, and comply with all applicable ADGM commercial legislation and relevant UAE Federal laws.

1.4. Purpose of this Guidance

This Guidance is issued under section 23 of the CLR 2025 and should be read in conjunction with the CLR 2025, Companies Regulations 2020, and any other applicable law.

This Guidance outlines the RA's regulatory approach and supervisory expectations for entities seeking to conduct Crypto Mining activities within or from ADGM. The RA's approach is intended to be technology-neutral, applying to the core activity of validating transactions and securing blockchain networks irrespective of the specific consensus mechanism employed, such as PoW, PoS, or other future technologies. This document details the expectations and requirements for Crypto Mining activity to ensure these activities align with ADGM's high standards for responsible business conduct including robust corporate governance and compliance with all relevant laws.

Failure to adhere to the standards and practices outlined in this Guidance may be taken into account by the RA when assessing whether to grant, vary or cancel an entity's Crypto Mining licence.

This Guidance applies to all ADGM registered entities licensed to carry out the business activity of Crypto Mining (*class code 7230*) activity (**Crypto Mining Entities**). Small-scale, non-commercial Crypto Mining conducted by individuals for personal purposes is generally considered outside the scope of this Guidance and its licensing requirements.

1.5. Legal Status of Mined Assets

Digital Assets that are lawfully generated (e.g., mined or received as block rewards) by an entity are recognised as property capable of ownership and are subject to all laws concerning property rights, commercial transactions, and taxation applicable in ADGM.

Please note that taxation matters are a Federal concern and fall outside the regulatory scope of the RA and this Guidance.

2. Key Policy Principles for Responsible Mining Operations

The following principles form the basis of the RA's supervisory approach and serve as a reference point when assessing an entity's conduct.

Crypto Mining Entities **must** operate strictly within the bounds of their licensed activities and maintain full transparency regarding their corporate structure, UBOs and operations with the RA. Companies are expected to comply with all ADGM legislation, including requirements for timely filings and disclosures.

Furthermore, such entities **must** uphold high standards of corporate governance, maintain accurate and comprehensive business records, and be prepared to demonstrate to the RA at any time that they operate within the scope of their license.

2.1. Security and Operational Integrity

Crypto Mining Entities activity **should** implement and maintain robust cybersecurity and operational controls to protect their mining facilities, Digital Assets, and the integrity of the blockchain networks they support.

Crypto Mining Entities **should** secure their systems against hacking, theft, or misuse by adhering to recognised international cybersecurity frameworks. They are also expected to implement best practices for the physical security of their premises and ensure compliance with all applicable health and safety standards for their operations.

3. Licensing Requirements

3.1. Requirement for a Commercial Licence

Any entity wishing to conduct **Crypto Mining** within or from ADGM **must** first obtain a Commercial Licence from the RA. The licence **must** specify "Crypto Mining" (or a similar designated activity code as determined by the RA) as a permitted business activity.

3.2. Specific Information and Assessment Areas

In addition to the standard requirements, the RA **may request** that applicants (particularly those planning larger-scale operations) provide detailed information for assessment in the following areas:

a) **Detailed Operational Plan:** This may include technical specifications of proposed hardware and its efficiency, software to be used, projected scale of operations (e.g., total hash rate, number of mining units), a detailed operational workflow from setup to production, the physical location(s) of the operation within ADGM, and a robust Risk Management Framework identifying and mitigating key operational, technical, and security risks.

b) **Infrastructure, Security & Resilience Plan:** This may include detailed plans

for physical security protocols at the proposed site, comprehensive cybersecurity measures aligned with recognised frameworks (e.g., ISO 27001, NIST), systems for heat management, and detailed Business Continuity and Disaster Recovery plans to ensure operational resilience.

c) **Disclosure of On-Chain Assets:** Crypto Mining Entities **must** disclose the addresses of all smart contracts and blockchain wallets that are owned or are under the control of the Crypto Mining Entity on request.

4. Key Licence Conditions & Ongoing Obligations

4.1. General Conditions

A Commercial Licence granted for Crypto Mining will include specific conditions covering the requirements discussed above that the entity licensed to conduct Crypto Mining activity **must** adhere to throughout its operational life. Additional conditions may be imposed which are designed to ensure ongoing compliance with ADGM's regulatory standards.

4.2. Transparency and Disclosure

In accordance with the ADGM's commercial legislation, the following matters related to transparency and disclosure are relevant:

a) **Corporate Transparency:** Crypto Mining Entities must maintain up-to-date records of their ultimate beneficial ownership (UBO), management, and corporate structure with the RA and must notify the RA promptly of any material changes in accordance with the Beneficial Ownership and Control Regulations 2022.

b) **Service Transparency (for Service Providers):** Crypto Mining Entities offering services to third parties should provide clear, accurate, and easily accessible information to their clients regarding the terms of service, all applicable fees, potential risks, and the handling of client assets.

c) **Public Register:** The RA maintains a public register of licensed entities to enhance transparency.

d) **Aggregate Reporting:** The RA may, from time to time, publish anonymised, aggregated data for the sector to provide market insights.

e) **Monitoring of On-Chain Assets:** The RA may use third-party tools to identify and monitor smart contracts and blockchain wallets belonging to or in control of the Crypto Mining Entity.

5. Supervision by the RA

5.1. Risk-Based Supervision

The RA will supervise entities licensed to conduct Crypto Mining activity on a risk-sensitive basis. This means that supervisory intensity may vary, with more intensive oversight potentially applied to larger-scale operations or those that offer services to third parties.

5.2. Supervisory Tools

The RA's supervisory toolkit is comprehensive and includes a range of tools to effectively monitor compliance. These include:

- a) Off-site supervision through the review of submitted reports and other information.
- b) On-site inspections in locations where the entity operates, including overseas, which may be scheduled or, in certain circumstances, unannounced.
- c) Requests for third-party verification, such as independent audits or attestations on specific areas of compliance.
- d) Thematic reviews focusing on specific risks or practices across the sector.
- e) Formal requests for information and documentation.
- g) The RA may use third-party technology solutions to monitor activities of Crypto Mining Entities.

5.3. Enforcement

Breaches of licence conditions, ADGM legislation, or applicable UAE Federal laws can lead to enforcement action by the RA. The RA has a range of enforcement powers, which may include issuing formal warnings, imposing financial penalties, directing remediation actions, or, in serious cases, suspending or revoking the Commercial Licence.

5.4. Best Practices for Ongoing Compliance

Crypto Mining Entities are encouraged to adopt the following best practices to ensure robust ongoing compliance:

- a) Establish effective internal systems for monitoring and reporting on key compliance and operational metrics.
- b) Conduct periodic self-audits or internal reviews against the requirements of this Guidance and the specific conditions of their licence.
- c) Stay informed about regulatory developments and changes within ADGM and the UAE.

6. Expectations for ADGM-Registered Headquarters Overseeing Global Operations

6.1. Introduction and Scope

ADGM recognises that a Crypto Mining Entity may act as a headquarters that manages or oversees a portfolio of global mining operations located outside the jurisdiction of ADGM.

In line with international best practices and ADGM's commitment to maintaining high regulatory standards, this section sets out the RA's expectations concerning the management, disclosure, and oversight of these global operations from an ADGM-registered entity.

This section will enable the RA to accurately assess risk and suitability when considering applications and renewals for Crypto Mining activity.

6.2. Disclosure Requirements for Overseas Operations

Entities licensed to conduct Crypto Mining activity headquartered in ADGM that manage overseas operations may be required to disclose detailed information regarding their global operational footprint to the RA to allow the RA to appropriately determine risk considerations of a Crypto Mining Entity. This disclosure **may** include:

- Details of overseas locations where mining activities are conducted, including the jurisdiction, the scale of operations (e.g., capacity, hash rate), and the operational structure.
- Information on the ownership structures, subsidiary entities, and key management personnel in these overseas jurisdictions.

6.3. Risk Assessment and Due Diligence on Host Jurisdictions and Partners

Crypto Mining Entities **should** conduct comprehensive due diligence and ongoing risk assessments on the overseas jurisdictions and business partners with which they engage to help evidence an appropriate apportionment of resources to managing risk. These assessments **may** include:

- A thorough regulatory and operational risk analysis associated with each overseas jurisdiction.
- Due diligence on key overseas business partners and major contractors, including verification of their ownership, integrity, compliance track record, and reputation.

Such entities are expected to maintain robust and accessible records documenting these assessments, and the RA may request access to these records as part of its supervisory activities.

6.4. Application of ADGM Standards to Global Operations

ADGM-registered headquarters **should** ensure that their overseas operations adhere to the core principles and standards of governance and compliance established by ADGM, in addition to all relevant local legal and regulatory requirements. This **may** include:

- Having corporate governance standards that reflect those required by ADGM, including clear reporting lines, accountability frameworks, and transparent decision-making processes.
- The inclusion of contractual obligations requiring overseas subsidiaries, partners, and contractors to adhere to ADGM's standards of transparency and integrity.

6.5. RA Oversight of Global Activities

The RA **may** require oversight of the global activities that are managed or overseen from an ADGM-registered headquarters. This oversight will enable the RA to appropriately determine risk considerations of a Crypto Mining Entity and could include:

- The potential for periodic reporting on overseas operations covering key metrics.
- The potential request of additional information or documentation related to overseas operations as deemed necessary for effective regulatory oversight.
- The ability to engage with international regulatory counterparts through information-sharing mechanisms to support supervision.

Entities licensed to conduct Crypto Mining activity **should** promptly report any significant compliance breaches or material regulatory actions involving their overseas operations to the RA.