ReFi.Trading function	Matching ADGM Regulated Activity	Licence category
Agent wallet executes client orders	**Dealing in Investments as Agent**	Cat 3A – non-custody intermediary
AI signals pushed to broker APIs	**Arranging Deals in Investments**	Cat 3A
Strategy selection / risk dashboards	**Advising on Investments or Credit**	Cat 4
(Future) own order-book or matching	**Operating an MTF**	Cat 2

All four activities sit inside the FSRA list of "VA Regulated Activities".ADGM
Result: ReFi.Trading **is a Category A financial business** under ADGM's framework, fully licensable.

ADGM Category 3A firm—plain definition

A Category 3A firm is an FSRA-licensed intermediary that:

- is authorised to **Deal in Investments as Agent** *or* **Deal as Principal solely on a Matched-Principal basis**—it buys then immediately offsets to fill client orders. Abu Dhabi Global Market
- is **not** authorised for higher-risk activities (e.g., Accepting Deposits, Providing Credit, un-matched principal dealing, custody). Abu Dhabi Global Market

Think of it as a "non-custody trading relay": it routes or matches trades without warehousing positions or client assets.

Regulatory rails that apply

Item	Rule in PRU	Implication

Base Capital Requirement	**US $500 000** (USD) for all 3A firms; rises to US $2 m if they offer OTC-leveraged products to retail. Abu Dhabi Global Market	Must stay on balance-sheet as fully-paid equity; not an expense.
Capital calculation	"Simplified Approach" allowed for Credit-, Market-, Operational-risk charges. Abu Dhabi Global Market	Lower reporting complexity than Cat 2 dealers.
Liquidity & leverage	Subject to PRU Ch. 9 liquidity tests and leverage cap. Abu Dhabi Global Market	Maintain enough high-quality liquid assets.
Client money	Cannot provide custody; must use third-party custodians or segregated accounts compliant with COBS.	Prevents commingling risk.

Typical business models

- Agency broker routing orders to exchanges.
- OTC CFD / FX broker operating strictly as matched principal.
- Signal-execution platforms (like ReFi.Trading) that send orders to external prime brokers.

Why it matters

Category 3A sits on ADGM's mid-risk prudential lattice—lighter than bank-like Category 1, heavier than advisory Category 4. It lets a fintech launch trading services quickly while keeping a USD-denominated safety buffer charged and ready.

Step-by-step licensing path

1. **Incorporate ADGM Tech-Start-up SPV** – private company limited by shares.
   Incentive fee: **US $1,500** for three years.
2. **Secure Financial Services Permission (FSP)**

- Core scope: Dealing/Arranging/Advising (non-custody) → application **US $20k**, annual **US $15k**.ADGM
- Optional MTF upgrade when ReFi.Trading hosts its own matching engine → extra **US $125k** application, **US $60k** annual.ADGM

3. **Capital & substance**
    - Minimum regulatory capital: **US $250k** (Cat 3A benchmark).
    - Appoint resident SEO, Compliance/MLRO, Finance Officer, Risk Officer.
    - Lease physical desk in ADGM, register data-protection.
4. **Documentation package**
    - Business plan, financial model, risk framework, AML/KYC manual, IT-security policies, disaster-recovery plan.
    - Launch plan showing test-net → shadow-trade → controlled live rollout (FSRA requires this).ADGM
5. **FSRA timeline**
    - Pre-application meeting (week 0).
    - Formal submission + fees (week 4).
    - "In-Principle Approval" after 10-14 weeks; satisfy conditions (bank account, hires, policies).
    - Final FSP & commercial licence issuance (week 18-22).
    - Operational-launch testing sign-off (week 24).ADGM

First-year budget (USD)

Item	Cost
RA incorporation (Tech Start-up)	**1,500**
FSRA application (Cat 3A)	**20,000**

FSRA annual supervision	**15,000**
Office & visas (minimum)	**30,000**
Mandatory staff (SEO + Compliance + Finance + Risk)	**180,000**
Regulatory capital (blocked)	**250,000**
Legal & audit support	**25,000**
Contingency 10 %	**52,000**
Total year-one	**≈ $573,500**

(Add **$125k** application and **$60k** annual if MTF is pursued.)

ChatGPT-agent execution plan

1. **Collect inputs** – founder KYC, cap-table, tech diagrams, financial model.
2. **Draft**:
   - 40-page business plan.
   - FSRA GIRA form auto-filled.
   - AML/CFT policy with UAE references.
3. **Generate** board-approved Risk Appetite Statement and Control Matrix.
4. **Iterate** documents with regulatory wording templates until validation score ≥ 95 %.
5. **Prepare** launch-test checklist and evidence pack for FSRA.
6. **Track** all tasks in a markdown Kanban; auto-remind assignees 48 h before deadlines.

Detailed Action Plan

Action Road-Map to Licence and Launch ReFi.Trading in ADGM

(all weeks are calendar weeks from “Day 0” = today, 24 Jul 2025)

Phase	Target week	What you do	What the ChatGPT agent can generate for you
0 – Scoping	0-1	• Confirm that ReFi.Trading will **Deal in Investments as Agent + Arrange & Advise on Investments** (no principal trading, no custody). • These activities sit in **Prudential Category 3A** with a **Base-Capital Requirement (BCR) = US $500 000**.	• Draft a one-page matrix mapping each product feature to the Cat 3A activities.
1 – Pre-Application Contact	1-2	• Email **authorisation@adgm.com** and request the initial call. • Have a 2-slide "elevator deck" + high-level Regulatory Business Plan (RBP).	• Produce the slide deck & an 800-word RBP outline that hits FSRA headings (business model, client types, risks, governance).
2 – Draft RBP ("Enquiry → Proposal")	2-4	• After the call, upload the **draft RBP** through FSRA Connect. FSRA returns comments.	• Integrate FSRA feedback and regenerate final RBP, org-chart and process-flow diagrams.
3 – Formal Submission	4-6	• File: – **General Information for Regulated Activities (GIRA)** form + **Dealing & Advisory Supplement (DAS)**. – **APS-1** for each Approved Person (SEO, Compliance, MLRO, Finance). – 12-month financial projections showing capital always ≥ $500k. • Pay **US $15 000 application fee** for *Dealing in Investments as Agent*; each added activity (e.g. Arranging Deals) costs + $5 000.	• Auto-fill the GIRA & DAS tables from your internal data.
4 – FSRA Review	6-12	• Expect Q&A rounds and possible interviews with key staff. Provide any clarifications within 5 working days.	• Draft replies and evidence packs; maintain an issue-log.

5 – In-Principle Approval (IPA)	≈ Week 12	IPA letter lists pre-conditions: 1. **Inject and ring-fence US $500 000 capital** in an ADGM-bank account. 2. **Incorporate ADGM entity** (Category A Financial Business). Use the **Tech-Start-up incentive** → Business-Activity fee only **US $1 500 for three years**. (+ $300 data-protection & $200 licence). 3. Lease physical office (or Flexi-Desk) and upload tenancy contract. 4. Appoint an **ADGM-registered external auditor**. 5. Upload final Compliance Manual, AML/CFT policies, Risk-Matrix.	• Generate draft AML & Compliance manuals aligned to FSRA GEN/AML rules.
6 – Commercial Licence + FSP	12-14	• Complete RA incorporation online, pay incentive fees. • Upload bank letter evidencing capital. • FSRA issues **Financial Services Permission (FSP)** – go-live green-light.	• Prepare onboarding check-lists for clients & brokers.
7 – Operational Launch	14-16	• Activate production servers inside ADGM or ADGM-approved cloud. • Perform penetration test & IT-audit. • Start marketing; onboard first pilot users.	• Draft website disclosures, T&C, risk warnings matching FSRA COBS.
8 – Ongoing Compliance	post-launch	• File quarterly prudential returns and pay annual supervision fee (equals initial activity fee). • Renew Tech-Start-up licence annually (still $1 500 for Years 2-3). • Maintain capital buffer ≥ 120 % of requirement (notify FSRA if below).	• Create automated report templates for PRU, AML and transaction monitoring.

Budget Snapshot (Year 1, USD)

Item	Amount	Source line
FSRA application fee – Dealing as Agent	15 000	
Add. activity (‘Arranging Deals’)	5 000	same rule 3.5.2(b)
FSRA annual supervision (same amounts, pro-rated first year)	20 000	Rule 3.5 & 3.8 framework

Category A Tech-Start-up Business-Activity fee	**1 500** (incentive)	
Data-Protection registration	300	
Name reservation & incorporation	500	
Minimum regulatory capital (BCR)	**500 000** (share capital or paid-in surplus)	
Professional costs (legal, audit, local director, office)	~<redacted>	market average
Total cash outlay before go-live	**≈ US $542 300**	

(Replace “<redacted>” with internal numbers if this is an internal-use document.)

Key Tips & Sequencing

1. **Don’t incorporate first.** FSRA must bless the model before the RA will accept an application (Schedule note 1).
2. **Capital timing:** Wire the US $500 000 only **after** IPA—otherwise the bank account cannot be opened.
3. **Use the Tech-Start-up window:** it automatically drops the RA fee from $16 000 to $1 500 for the first three renewals.
4. **Leverage the agent:** A ChatGPT workflow can auto-populate FSRA forms, track comments, and draft policies—cutting manual effort.

ReFi.Trading Regulatory Analysis in GCC Jurisdictions

ReFi.Trading is a non-custodial, AI-driven “Strategy-as-a-Service” platform that connects users to licensed brokers (e.g. Alpaca, Interactive Brokers) and uses zero-knowledge proofs and external attestations for compliance. This analysis evaluates whether ReFi.Trading’s model is permitted in five Gulf jurisdictions – **Abu Dhabi (ADGM)**, **Bahrain**, **Saudi Arabia**, **Kuwait**, and **Qatar (QFC)** – and outlines the licensing pathways, requirements, timelines, and costs in each.

A comparative summary and a step-by-step launch plan for the recommended jurisdiction are provided.

Abu Dhabi Global Market (ADGM – UAE)

ADGM, through its Financial Services Regulatory Authority (FSRA), is known for a progressive fintech regime. ADGM was the first in the region to create a **RegLab** sandbox in 2016/17, providing a controlled environment for fintechs to test innovative solutions with relaxed regulatory requirements[u.ae](). ADGM actively encourages financial automation and has issued clear guidance on AI use and custody boundaries, making it a strong regulatory fit for ReFi.Trading's AI-driven, non-custodial model.

Permissibility: ReFi.Trading's model – offering algorithmic trading strategies without taking custody – is generally *permitted* in ADGM, subject to proper licensing. ADGM's framework treats activities like **investment advice** or **portfolio management** as regulated financial services. Operating an AI trading platform where client accounts are traded algorithmically would likely be viewed as **Managing Assets (Discretionary)** or **Advising on Investments**, both regulated activities under FSRA rules. However, ADGM provides two main pathways to undertake such fintech innovation:

- **RegLab (Sandbox):** Fintech startups can apply to ADGM's RegLab cohorts to test their product for up to 2 years in a controlled setting[u.ae](). During the RegLab period, certain requirements (e.g. full capital or strict compliance rules) are relaxed while the business model is validated.

- **Full License:** A startup can bypass the sandbox and apply directly for an FSRA Financial Services Permission (FSP) if it meets all regulatory requirements (capital, expertise, systems). In ADGM, a **Category 4** license (advising/arranging investments) or **Category 3C** license (managing assets on a non-custodial basis) would be applicable, depending on the exact execution setup.

Applicable License & Requirements: Under a full licensing route, ReFi.Trading would likely need an **Investment Management** or **Advisory** license:

- *If positioned as a discretionary asset manager (AI executes trades autonomously):* A Category 3C **Asset Management** FSP is required. This typically carries a base capital requirement (approximately **$250,000** or more, as FSRA rules stipulate) and requires key personnel (e.g. a UAE-resident CEO, Compliance Officer, etc.). The firm must demonstrate robust risk controls and algorithm governance given the AI aspect.

- *If positioned as a tech advisor (users must approve trades or strategies):* A Category 4 **Advising on Investments** FSP might suffice, which has a lower capital bar (often on the order of **$20,000–$50,000**). The platform would be seen as providing recommendations/signals rather than fully automated execution.

- In either case, 100% foreign ownership is allowed in ADGM, and there is no corporate tax on most business (until at least 0% to 9% UAE CT from 2024, with ADGM offering various exemptions).

Sandbox Eligibility: For the RegLab, ReFi.Trading would need to show an innovative fintech solution that benefits the UAE financial sectoru.ae. ADGM's focus areas have included robo-advisory, digital investment management, AI in finance, etc., all of which align with ReFi's offering. The company must have at least a working prototype ready for testing and a well-defined testing plan. ADGM's sandbox cohorts are announced periodicallyu.ae – applicants apply when a cohort opens and, if accepted, receive a **temporary license (FinTech Innovation License)** to operate within agreed parameters.

Application Process & Timeline:

- **Sandbox route:** ADGM's RegLab application is cohort-based. When a cohort is announced, ReFi.Trading would submit an online application with its business model, innovation description, test plan, and compliance framework. The selection process is competitive; ADGM aims to admit applicants that demonstrate genuine innovation and consumer benefit. Once accepted, the startup incorporates an ADGM entity and receives the RegLab license. According to ADGM guidelines, the RegLab testing period is typically **up to 2 years**u.ae. After or during testing, the company can transition to a full FSP license if successful.

- **Direct license route:** The company must first incorporate an ADGM entity (e.g. as a Private Company – ADGM offers a **Tech Startup** license incentive at ~$1,500/year). Then, it files an FSP license application to the FSRA, including detailed business plans, risk policies, AML/KYC procedures, and fit-and-proper assessments for management. FSRA usually processes FSP applications in approximately **3–6 months** (including an initial in-principle approval stage and final approval once all conditions, like capital infusion, are met).

Capital & Costs: ADGM is not the cheapest jurisdiction, but it offers incentives for startups. Under the **Tech Start-up** program, eligible fintech startups get a reduced license fee of **$1,500 per year for the first 3 years**. This covers the general ADGM commercial license. If entering via the RegLab, additional fees might be minimal. For a full FSRA license, the application fee ranges roughly **$5,000–$20,000** (depending on activities), and annual supervision fees apply. Office space in ADGM (Al Maryah Island) is required – co-working spaces are available (approx. $15k/year for a small office). Regulatory capital (paid-up capital) must be injected before final license; as noted, this could range from ~$50k (advisory) up to a few hundred thousand USD (asset management). The **startup-friendly policies**, such as 0% tax and the ADGM Fintech Digital Lab support, help offset costs.

Post-licensing Obligations: Once licensed, an ADGM firm must comply with FSRA rules – e.g. regular prudential reports, audited financials, AML/CFT compliance, client asset segregation (though ReFi doesn't hold client funds), and specific **governance of AI algorithms**. ADGM regulators are likely to scrutinize the AI's decision-making and the robustness of ReFi's **zk-proof compliance system**, but the presence of a dual-proof attestation architecture should satisfy expectations in line with ADGM's stance on innovative RegTech. Overall, ADGM's environment is highly conducive to ReFi.Trading, with strong regulatory clarity and a balance between innovation and investor protection.

Kingdom of Bahrain

Bahrain has positioned itself as a **fintech pioneer** in MENA, with the Central Bank of Bahrain (CBB) launching the region's first regulatory sandbox in 2017oxfordbusinessgroup.com. The CBB actively supports digital finance innovation, and Bahrain's comparatively small size is offset by its proactive regulations and cost-effectiveness. ReFi.Trading's model is permissible in Bahrain and can either be tested in the sandbox or operated under newly established licenses for digital investment services.

Permissibility: Bahrain explicitly allows **digital investment advisory and robo-advisory services**. In 2019, the CBB issued directives on "Digital Financial Advice (Robo-Advisory)" to enable specialized fintech firms to obtain a license for automated advicecbb.gov.bh. This means ReFi.Trading can become a licensed digital advisor in Bahrain, operating its AI strategy platform under CBB supervision. The non-custodial aspect is actually a positive – Bahrain's rules emphasize that clients' assets remain with licensed brokers, aligning with ReFi's setup.

Applicable License & Framework: Two approaches are available:

- **Regulatory Sandbox:** Bahrain's **Fintech Regulatory Sandbox** welcomes local and foreign firms to test innovative solutions in a supervised virtual environmentcbb.gov.bh. No license is needed during the sandbox phase beyond the CBB's sandbox approval. ReFi.Trading could utilize the sandbox to trial its AI trading service with a limited number of volunteer clients.

- **Digital Financial Advice License:** Bahrain's CBB offers a direct licensing route for robo-advisors. Under CBB Rulebook Volume 4 (investment business), a firm can be licensed as an **Investment Advisor** or **Investment Manager**. After the 2019 directives, even fully automated advisory models are covered by regulations. For a firm that *only gives advice/recommendations (and uses AI)*, a **financial consultancy/investment advisory** license is appropriate. If the firm were to execute trades on behalf of clients (even non-custodially via power of attorney or trading API), it might be classified as an **asset manager**. In practice, many robo-advisors in Bahrain operate under an "investment advisor" license with conditions.

Sandbox Eligibility: To enter the sandbox, ReFi.Trading must demonstrate that its service is **truly innovative** (AI-driven trading with zk-proofs is novel) and offers consumer benefits (e.g. improved risk controls, transparency via attestations)cbb.gov.bh. The CBB also requires sandbox applicants to meet basic AML/CFT capabilities and confidentiality of client infocbb.gov.bhcbb.gov.bh. Bahrain's sandbox has admitted a range of fintechs – by early 2022, **robo-advisory services made up 16% of sandbox entities** (the largest segment, tied with BNPL)oxfordbusinessgroup.com, indicating the CBB's comfort with AI advisory models. Foreign startups *can* apply without an existing local entity; however, if approved, the firm must register a business in Bahrain.

Application Process & Timeline:

- **Sandbox:** The application is an online form through the CBB websitecbb.gov.bh. The CBB commits to a **fast review (15 calendar days)** once all info is submittedcbb.gov.bh. In practice, the entire process from application to approval can take around 4–6 weeks including Q&A. Sandbox testing duration is typically **9 months**, extendable by 3 monthspontinova.law, during which the company can onboard a limited number of clients under CBB oversight. After testing, if the business is viable, the firm graduates by obtaining the relevant license.

- **Direct License:** If bypassing the sandbox, ReFi.Trading would file a licensing application under **CBB's Fintech & Innovation unit** or the Capital Markets Supervision Directorate. The submission includes a detailed business plan, compliance manuals, IT security policies, and financial projections. Bahrain's CBB has a relatively streamlined process, often taking about **6–12 weeks** for approval of an investment firm licensesetupinbahrain.com. The CBB may first issue an "in-principle approval" and then require certain conditions (e.g. capital funding, local office setup) before final license grant.

Capital Requirements & Fees: Bahrain is **startup-friendly in cost**. Key figures (per CBB rules and local advisors) for relevant licenses:

- **Financial Consultancy/Advisory License:** Minimum paid-up capital **BHD 50,000** (≈ $133,000)setupinbahrain.com. This category would apply if ReFi.Trading provides advice/strategies but does not directly handle client funds.

- **Investment Management License:** If considered an asset manager (discretionary trading authority), capital can be higher (BHD 100k up to 500k depending on scope)setupinbahrain.com. However, since ReFi doesn't hold custody or manage collective investments, it likely would not require the highest capital tier.

- **Sandbox:** No explicit capital requirement during sandbox testing; CBB may ask for evidence of financial soundness but often waives formal capital rules for sandbox participantspontinova.law.

- **Fees:** Business registration with MOIC: ~BHD 300-500. CBB license application fee: ~BHD 1,000. License fee annually: ~BHD 3,000–5,000 (as part of CBB's fee schedule for investment firms). The **operational costs** in Bahrain are moderate: office rent and staff salaries are significantly lower than in ADGM or Dubai. Bahrain allows 100% foreign ownership and imposes **no corporate income tax**.

Post-licensing Obligations: A licensed robo-advisor in Bahrain must follow ongoing CBB supervision. The **2022-2026 Financial Services Development Strategy** in Bahrain emphasizes robust fintech oversight beyond the sandbox stageoxfordbusinessgroup.com. ReFi.Trading would need to maintain compliance with:

- **Algorithm Governance:** The 2019 digital advice rules require firms to have controls and testing for the algorithms to ensure suitable advice and to prevent bias or errorscbb.gov.bh. Auditable logs and periodic review of the AI strategy performance may be mandated.

- **Shari'a compliance:** (If offering services to Muslim investors) – Bahrain often encourages fintechs to offer Islamic-compliant options. ReFi might consider aligning AI strategies with Islamic trading principles if targeting that segment.

- **Reporting:** Regular reporting of financials, client numbers, and any risk incidents to the CBB. Bahrain's regulator is approachable and often works closely with fintech firms to ensure compliance without stifling innovation.

- **Local presence:** At least one senior manager likely needs to be based in Bahrain. Many fintech startups leverage Bahrain FinTech Bay (a fintech hub) for co-working space and support.

Summary: Bahrain offers a **fast, cost-efficient** route to market. Its regulatory fit for ReFi.Trading is high – the CBB has already licensed robo-advisors and even crypto-asset platforms (e.g. Rain) through its sandboxoxfordbusinessgroup.com. License processing is quicker than most peers, and expenses (capital and operations) are relatively low. The trade-off is Bahrain's market size – it's smaller, but Bahrain can be an excellent launchpad to prove the concept regionally.

Kingdom of Saudi Arabia

Saudi Arabia presents a huge potential market and is actively developing fintech-friendly regulations, but it remains a more complex environment for startup entry. There are two regulators to navigate: the **Saudi Central Bank (SAMA)** for banking/payments fintechs (via its

Regulatory Sandbox) and the **Capital Market Authority (CMA)** for securities/investment fintechs (via its Fintech Lab). ReFi.Trading, dealing with trading and investment strategies, falls primarily under CMA's domain (capital markets), though SAMA's sandbox is relevant if the model touches on banking services. Saudi regulators are open to innovation – indeed, **"ADGM (UAE) and SAMA (Saudi Arabia) are promoting financial automation with clear guidance on AI and custody boundaries"** – but the entry pathway is typically through controlled sandbox programs.

Permissibility: In Saudi, **social trading, robo-advisory, and digital investment management** are *permitted* but only under experimental/testing permits or appropriate licenses:

- The **CMA Fintech Lab** has explicitly allowed **Robo-Advisory** and **Social Trading** as categories of permitted activities in its sandboxpontinova.law. ReFi.Trading's AI strategy service could qualify as either or a mix of these (AI-driven strategies akin to robo-advice, and if users can share or follow strategies, akin to social trading). Since ReFi uses external brokerage accounts, it resembles a **non-custodial investment advisory** service, which is within CMA's scope.

- The **SAMA Sandbox** historically focuses on banking/payments innovations (open banking, payment solutions, etc.)pontinova.lawpontinova.law. Unless ReFi.Trading planned features like payment processing or if it were managing forex trading in bank accounts, SAMA would not be the primary regulator. (However, Fintech Saudi – a joint initiative of SAMA and CMA – provides a tool to route applicants to the right regulatorpontinova.law.)

Applicable License & Eligibility:

- **CMA Fintech Lab (Experimental Permit):** The CMA runs a cohort-based fintech sandbox called the *Fintech Lab*. To be eligible, the business must involve securities/investment activities regulated by CMA and show innovation and benefit to the capital marketpontinova.law. ReFi.Trading clearly involves securities trading and innovative AI/zk technology, meeting these criteria. The Fintech Lab would grant an **"Experimental Permit"** if accepted, allowing the company to offer its service to a limited user base legally. This permit typically lasts up to **2 years**pontinova.law.

- **CMA License:** Post-sandbox or if going direct, the company would need a permanent CMA license. Relevant categories could be an **"Asset Management License"** (for discretionary portfolio management) or an **"Advisory License"**. In Saudi Arabia, full CMA licenses require substantial capital and stringent requirements. For instance, traditional asset management firms need tens of millions of SAR in capital; however, the CMA may create new categories for fintechs. As of now, foreign fintech firms *must* partner with locals or set up a local entity and get CMA approval to operate. There isn't a standalone "robo-advisor license" yet – instead, firms use the Fintech Lab permit as a stepping stone.

- **SAMA Sandbox:** As an alternative, if ReFi's model were interpreted as a finance service not squarely in CMA territory, SAMA's Regulatory Sandbox could be used. SAMA's sandbox is always-open for applications and focuses on innovative finance solutions (payments, lending, perhaps open brokerage interfaces). It grants temporary waivers to test new tech. Since SAMA has approved open banking aggregator services in its sandboxpontinova.law, one might argue ReFi.Trading – which aggregates trading execution across brokers – could apply. But likely, **CMA's Fintech Lab is the proper route** for an equities/markets-focused platform.

Application Process:

- **CMA Fintech Lab:** The CMA opens application windows (cohorts) for its Fintech Lab. ReFi.Trading would apply via the CMA's online portal during an open window, submitting a detailed proposal. The proposal must identify which regulated activities are involved (e.g. "Providing investment advice via an automated platform") and how the innovation benefits Saudi marketspontinova.law. The CMA then vets applications and selects participants. The Fintech Lab has seen steady interest – **38 companies received Fintech Lab permits since 2018**pontinova.law, with 14 new permits in 2023 alonekuwaitilaws.com. If selected, ReFi.Trading would receive a CMA **FinTech ExPermit** and be allowed to onboard customers under CMA's oversight.
    - **Timeline:** The CMA Fintech Lab cohorts have fixed timelines. If you miss a window, you must wait for the next. Once applied, decisions are usually made within a few months. The experimental permit is valid for up to 2 yearspontinova.law, giving ample time to test and gather data.
- **SAMA Sandbox:** SAMA's application is on a rolling basis ("Always Open" since 2022)pontinova.law. The process involves submitting an application form and business details to SAMA's Fintech Saudi portal. SAMA evaluates on four main criteria: *innovation, benefit, ready MVP, and exit plan*pontinova.law. If approved, SAMA grants a testing authorization. SAMA provides a decision within roughly **6 months** from a completed application to test commencementpontinova.law. The test period can run **6–12 months**pontinova.law. Notably, SAMA's sandbox has admitted **16 fintech companies** so farpontinova.law (mostly payments/Open Banking). ReFi.Trading's alignment with capital markets might push it to CMA instead, but if considered under SAMA, similar timelines apply.
- **Full License:** To get a full CMA license (if not via sandbox), the process is much heavier. It involves applying under the **Investment Institutions Regulations** with a complete package (including incorporation of a Saudi entity, board and shareholder approvals, etc.). This can take 6+ months to a year and typically isn't feasible for a small

startup without first proving the model – hence the importance of the Fintech Lab path.

Regulatory Waivers & Capital: Both sandbox programs offer regulatory waivers:

- In the CMA Fintech Lab, participants are **exempted from certain Capital Market Law requirements** for the duration of testing. For example, capital adequacy and some disclosure requirements can be relaxedpontinova.law. Instead of, say, the usual SAR 50 million capital for asset management, the fintech might operate with just a few million SAR or less during testing, as determined case-by-case.

- SAMA's sandbox likewise can waive or relax licensing rules (capital, track record, etc.) at its discretionpontinova.law.

- No specific public data on capital for a Saudi robo-advisor exists yet; however, **Fintech Saudi's assessment tool** initially even marked crypto trading as "not permitted" unless in sandboxpontinova.law, showing that formal licenses are strict. We can infer that after a sandbox phase, if ReFi.Trading seeks a permanent Saudi license, it may need a local JV or significant capital injection in line with CMA's licensing standards.

- **Costs:** Sandbox application fees are minimal (if any). The larger expense is establishing a presence: to join either sandbox, a foreign company doesn't need a local entity *at application*, but **must incorporate locally upon approval**pontinova.law. That means setting up a Saudi company, which requires a local office and potentially a Saudi partner (ownership up to 100% foreign is possible in fintech with special approval). Operating in Saudi is costlier (office in Riyadh, hiring local staff). Budget at least **$200k+ annually** for a small operation. However, Saudi offers unparalleled access to a huge investor base if achieved.

Post-sandbox / Licensing Obligations:

- A CMA Fintech Lab participant must submit periodic reports to CMA on testing progress, customer outcomes, and risk metrics. If any customer complaints or incidents occur, CMA requires immediate notification.

- Upon exit, if the business succeeds, CMA either grants a full license or asks the firm to cease if no license is obtainedpontinova.law. ReFi.Trading would aim to transition to a CMA authorized firm. That likely involves meeting **CMA's capital requirements**, which could be on the order of **SAR 5–10 million** (≈$1.3–2.6M) for an advisory or asset management license, unless CMA creates a new lower-tier license by that time.

- Ongoing compliance would mirror other Saudi financial institutions: strong **AML/CFT controls**, local data storage (Saudi may require client data to be stored on Saudi servers or cloud approved by regulators), and possibly Shari'a compliance if offering services marketed as Shari'a-compliant.

- For AI services, Saudi regulators will expect human oversight. CMA has emphasized the need for explainability and human oversight in fintech. ReFi's external attestation (Chainlink ACE oracle checking compliance) would be a valuable feature to demonstrate to regulators that trades are monitored for compliance in real-time.

Summary: Saudi Arabia offers the largest addressable market and is very supportive at the policy level (fintech is a pillar of Vision 2030). However, entry is the most tightly controlled. The **recommended path in KSA is to leverage the sandbox (CMA Fintech Lab)**kuwaitilaws.compontinova.law, which provides a safe harbor to test and even attract Saudi investors, before undertaking the significant commitment of full licensing. The time to live service (with real users) in Saudi is moderate (a few months to get a Fintech Lab permit), but time to a full license is longer and uncertain. Saudi is an excellent second-phase expansion once the model is proven elsewhere, or if pursued initially, should be done with eyes open to regulatory complexity.

State of Kuwait

Kuwait's fintech regulatory framework is emerging, with efforts from both the **Central Bank of Kuwait (CBK)** and the **Capital Markets Authority (CMA)**. Historically, Kuwait was slower than neighbors to adapt fintech regulationstamimi.com. However, recent developments (2022–2024) have introduced new rules and programs that could accommodate ReFi.Trading's business:

- The **CBK's Regulatory Sandbox** (launched in 2018) mainly targets electronic payment and banking innovations. It provides a controlled test environment for e-payments and related fintech ideastamimi.comtamimi.com. CBK's sandbox has a one-year process (application, evaluation, testing, then accreditation) for payment-focused productstamimi.comtamimi.com. ReFi.Trading's core service (trading strategies through brokers) does *not* fall under payments or lending, so the CBK sandbox is likely not the right fit.

- The **Capital Markets Authority (CMA)** oversees securities and investment services. In **January 2024, the CMA implemented a dedicated FinTech framework (Module 19 of its bylaws) covering "Digital Financial Advisory (Robo-Advisory)"** and **"Securities-Based Crowdfunding"legalcommunitymena.comlegalcommunitymena.com**. This indicates that offering automated investment advice is now formally recognized in Kuwait. The CMA has a new FinTech Unit to license and monitor such serviceslegalcommunitymena.comlegalcommunitymena.com.

Permissibility: ReFi.Trading's AI-driven trading advice would be permitted under the CMA's new FinTech rules as a **Digital Investment Advisory Service**. In late 2022, Kuwait's CMA even granted a license to a digital investment platform (e.g. NBK's robo-advisor)fintechnews.ae, signaling openness. As of mid-2025, the CMA made headlines by registering the first securities crowdfunding platformfintechnews.ae – a result of these new regulations – and highlighted its strategy to adopt international best practices in capital markets techfintechnews.ae. While **no specific "sandbox" exists under CMA**, the early licenses like the crowdfunding platform suggest the CMA is willing to authorize fintech services under its regular licensing regime, now that rules are in place.

Applicable License: Under CMA Module 19 (Financial Technologies), ReFi.Trading would seek a **"Digital Advisor" license (Digital Financial Advisory)**. This effectively allows the use of **algorithms/AI to provide investment recommendations or portfolio management** to clients with minimal human intervention. Key points in the CMA's framework:

- The service can provide automated advice on buying/selling securities, tailored to client profiles (likely requiring a client risk-profiling questionnaire in the onboarding).
- Firms must meet **governance standards for algorithms**, ensuring transparency and the ability for the CMA to audit or understand the decision logiclegalcommunitymena.com.
- Investor protection measures: limits on advising inexperienced investors, possibly requiring warnings that advice is automated, etc.
- **Platform registration and licensing:** The CMA FinTech Unit handles these. The first license (Al-Mawazi crowdfunding) was granted in July 2025fintechnews.ae; a robo-advisor license would go through a similar review and approval by the CMA Board.

Capital and Requirements: The CMA's executive bylaws likely set capital requirements for these new fintech services. While exact figures aren't published, a local expert notes:

- **Digital advisory firms** might need relatively modest capital (perhaps on the order of **KD 150,000–250,000** (~$500k–$800k)), but this is speculative. (For reference, conventional investment companies in Kuwait often required KD ~1+ million historically, but the FinTech push is expected to allow lower thresholds).
- According to a summary of Kuwaiti licensing: **financial consultancy firms** minimum capital is **KD ~50,000** and **investment advisory firms** highersetupinbahrain.comsetupinbahrain.com. It's unclear if a robo-advisor falls under "consultancy" or a new category; likely the CMA will decide case-by-case until clear guidelines emerge.

- 100% foreign ownership in the CMA-regulated entity might require an exemption – Kuwait generally restricts foreign ownership above 49% in many sectors unless via its Direct Investment Promotion Authority (KDIPA) incentives. Fintech might qualify for KDIPA approval to be wholly foreign-owned if it brings tech innovation.

Application Process:

1. **Preliminary Engagement:** It's advisable for ReFi.Trading to engage a local legal advisor or approach the CMA FinTech Unit informally to discuss the concept. Since the framework is new, regulators may provide guidance on how to proceed.

2. **Incorporation:** The company would need to establish a Kuwaiti entity (likely in the Kuwait City financial district). This requires a commercial registration and possibly Kuwaiti participation depending on investment law (to be navigated via KDIPA if seeking full foreign ownership).

3. **License Application:** Submit an application to the CMA detailing the service. This includes business plan, description of the AI advisory algorithm, data protection measures, and how the service promotes competition/efficiency in the market (a criterion highlighted by the CMApontinova.law). The CMA FinTech Unit will review and may conduct meetings for clarifications.

4. **Timeline:** As this is a new process, timeline is not firmly established. However, one can expect roughly **3–6 months** for evaluation and approval, considering the CMA's cautious approach. (For instance, it took a while for the first crowdfunding platform to go live after the framework was set.)

5. **Innovation Sandbox?** – Kuwait does not run a formal fintech sandbox like ADGM or Bahrain. Instead, it appears to be moving straight to licensing under tailored regulations. Thus, testing would likely be done under a regular license but possibly with small scale initially as required by the CMA.

Post-licensing and Operations:

- ReFi.Trading would be subject to **CMA supervision**. The new fintech regulations (Module 19) include provisions on client onboarding, advertising, algorithm governance, and cybersecuritylegalcommunitymena.comlegalcommunitymena.com. For example, **technology and algorithm governance** standards require the firm to have an internal process to regularly validate and backtest the AI model's outcomes, ensuring it remains suitable and not drifts into inappropriate strategies.

- The CMA may require periodic reporting on the performance of the robo-advisor and any incidents. Client complaints would be routed through the CMA's investor protection department.

- **Local staffing:** At least one licensed investment advisor might need to sign off on the AI's advice methodology. The CMA might expect an internal compliance officer and an "investment advisor" qualification holder as part of the team overseeing the robo operations.

- **Kuwait market considerations:** Kuwaiti investors may expect some level of personal interaction, so ReFi.Trading might incorporate optional human advisor support in the platform for Kuwait. Also, Shariah-compliant investment options could be a competitive edge, since Kuwait has a significant Islamic finance sector.

Comparative note: Kuwait is making progress but is still *catching up* to ADGM/Bahrain in fintech friendliness. There is no tax on income in Kuwait for locally incorporated firms (foreign shareholders' profits may be subject to a 15% remittance tax, however). While Kuwait's **startup friendliness** is improving (regulators established a FinTech Unit, and even hosted a fintech exhibition with 45+ participantsfintechnews.ae), bureaucracy can be challenging for new foreign businesses. Budget-wise, Kuwait is in between: office costs and salaries are high (Kuwait City is expensive), and navigating local partnerships or KDIPA incentives may require hiring consultants.

In summary, Kuwait's CMA is now open to licensing AI-driven investment services – ReFi.Trading can enter via the **new digital advisory framework** rather than a sandbox. This offers a more direct (if somewhat untested) path to market, with the key tasks being meeting the CMA's new regulations, assembling a local presence, and potentially partnering locally to expedite approval.

Qatar Financial Centre (QFC – Qatar)

Qatar provides a unique setup through the **Qatar Financial Centre (QFC)**, a business hub with its own legal and regulatory system for finance and fintech. QFC allows firms to operate in Qatar with 100% foreign ownership and a common-law framework. For ReFi.Trading, the QFC is the only viable entry point, since the Qatar Central Bank and main market regulations are not yet accommodating to non-bank fintechs in the trading space. The QFC, however, has positioned itself to attract fintech companies with recent initiatives and a new **Digital Assets framework** in 2024.

Permissibility: Yes, ReFi.Trading's model is permissible in the QFC, especially as a **non-regulated FinTech service**. The QFC Authority's licensing list explicitly includes **"Financial Technology Services" (FinTech)** as a category of permitted *non-regulated* activitiesqfc.qaqfc.qa. Under this **C13 – FinTech Services** license, a company can provide technology-driven financial services *without* being a regulated bank or investment firm, as long as certain boundaries are respected. Notably, the QFC's FinTech definition encompasses:

- Providing APIs, cloud solutions, DLT applications for financeqfc.qa,
- Developing **algorithm-based portfolio management tools and personal finance management**qfc.qa,
- Providing **robo-advisor services**qfc.qa.

These clearly cover ReFi.Trading's activities (algorithmic portfolio management, etc.). **However, the QFC has a critical restriction:** *"Unless otherwise permitted by the QFCA, a FinTech Services firm may not engage in robo-trading."*qfc.qa. This implies that an entity under the non-regulated FinTech license can offer advisory algorithms, but **executing trades automatically (robo-trading)** could be considered a regulated activity (like managing investments).

License Options:

- **Non-Regulated FinTech License (QFCA):** ReFi.Trading can incorporate in the QFC under the category C13 – FinTech Services. This would allow it to develop and offer its platform to users, focusing on the software/service aspect. So long as ReFi.Trading only provides signals or tools and does not **itself execute trades on behalf of clients**, it stays non-regulated. Users would use the tech to trade via their own broker accounts (which is exactly ReFi's model: the user's Alpaca/IB account is trading).
    - If structured properly, ReFi can argue it is *not* "managing investments" but just providing an AI tool to users who retain control (akin to providing a trading algorithm users activate). In this scenario, the QFCRA (QFC Regulatory Authority) oversight isn't triggered; only the QFC Authority's commercial rules apply.
- **Regulated License (QFCRA):** If ReFi.Trading or its Qatar operation were to actually execute trades for clients or handle client assets, it would need a license from QFCRA – likely an **Asset Management** or **Investment Advisory** license under QFC rules. QFC has standard regulated activities mirroring other financial centers (e.g., Managing Investments, Advising on Investments)qfc.qaqfc.qa. The capital requirements for those are significant (for example, asset management firms in QFC need capital in the millions of QAR). The goal would be to avoid this by staying within the FinTech Services scope.

Application Process (Non-Regulated Route):

1. **Pre-application consultation:** QFC encourages fintech firms to approach the QFC Authority (QFCA) for initial discussions. ReFi.Trading can outline its model and likely receive guidance that it can be licensed as a C13 FinTech service with an exemption to do "robo-trading" provided certain conditions (since the QFCA has discretion to permit

robo-trading under C13qfc.qa).

2. **Incorporation and Licensing:** ReFi.Trading would apply through the QFC's online portal for a LLC (or branch) under the FinTech Services category. The application involves a business plan, descriptions of intended activities (mapped to the codes like 6203-007 "algorithm-based portfolio management"qfc.qa and 6203-009 "robo-advisor services"qfc.qa).

    ○ **QFC's fast-track:** In February 2025, QFC slashed its application fee by 90% (from $5,000 to **$500**) for non-regulated entitiesqfc.qa, and even introduced an instant licensing process for straightforward casesqfc.qa. FinTech services fall in the non-regulated camp, so this low fee and potentially quick turnaround apply.

    ○ Typically, licensing a non-regulated LLC in QFC takes around **2-4 weeks** if documentation is in order. QFC is actively courting startups, so they tend to be efficient.

3. **Additional Approval for Robo-Trading:** Because ReFi's agents actually execute trades via API, the QFCA might interpret that as "robo-trading". QFCA can "permit" it on an exception basisqfc.qa, likely by coordinating with the QFC Regulatory Authority. ReFi.Trading would need to assure them that:

    ○ All trading activity is carried out in clients' external brokerage accounts (so QFCRA investor protection issues are minimal within Qatar, as Qatari residents wouldn't be funding accounts through ReFi).

    ○ The platform will abide by any relevant rules (for example, if offering to Qatari clients, ensure proper disclosures and that it's not trading Qatar-listed securities without a license – though connecting to Alpaca/IB means mainly international markets).

    ○ Possibly limit marketing to professional clients initially or implement risk warnings.

4. **Office and Staff:** QFC requires a **physical or virtual office**. There is flexibility: one can use a serviced office or even potentially the QFC Tech Circle arrangements. Local staffing can be minimal for non-regulated entities – even a single person on ground might suffice to meet substance requirements.

Capital and Costs:

- For the non-regulated FinTech license, **no minimum capital** is mandated. The LLC can be formed with a nominal share capital (even $1 is theoretically possible, though setting something like QAR 50,000 ≈ $14k is common for practical reasons).

- Application fee $500qfc.qa, annual license fee is generally around $5,000 (but QFC often waives or reduces fees for first year as an incentive).

- Qatar imposes **10% corporate tax** on locally sourced profits for QFC companies. If ReFi.Trading's clients and revenue are global and not specifically from Qatar sources, the effective tax might be minimal (this would require structuring with a tax advisor).

- Operating in Doha: costs are moderate. Office space in QFC can be obtained for a few thousand dollars a month (the fee reduction and "instant license" imply QFC is removing barriers). Talent is available, though tech talent may need to be imported (Qatar has visas for skilled workers; QFC firms get streamlined immigration support).

- If a regulated license was needed down the road, capital would jump (for instance, an asset manager in QFC might need QAR 2.5 million (~$687k) or more in capital, plus more compliance costs).

Post-licensing Considerations:

- As a QFC non-regulated entity, compliance obligations are lighter. The company must abide by QFC's Companies Regulations (annual audits, etc.) and Data Protection regulations. QFC has a Data Protection Office, so ReFi.Trading must protect client data per Qatar's standards (broadly similar to EU GDPR).

- **No local client money handling:** ReFi should continue not to handle client funds in Qatar – all flows should be between clients and their brokers, which keeps ReFi out of payment or custody scope.

- Marketing within Qatar: Since QFC firms can serve Qatar market, ReFi.Trading can advertise to Qatar residents. It should avoid giving the impression of being a QFCRA-regulated investment manager. All materials should clarify it provides a tech service connecting to licensed brokers. Including risk disclosures and perhaps a statement like "ReFi.Trading is not a QFCRA-regulated financial institution" might be needed to be transparent.

- **Digital Assets Lab:** If ReFi.Trading later involves crypto trading strategies, note that in 2024 QFC introduced a **Digital Assets framework** for tokens and serviceslinkedin.com. QFC is encouraging digital asset innovation (they even have a "Digital Assets Lab" and a new C13A Token Services categoryqfc.qa). This could be relevant if ReFi's roadmap includes on-chain trading; the QFC could accommodate that too (with an additional license or endorsement).

- The QFC environment is very **startup-friendly**: as of 2025, they have eased market entry and reduced fees to attract global firms[qfc.qa](qfc.qa). In fact, the **application fee reduction to $500** is explicitly to make it easier for startups and SMEs to enter Qatar[qfc.qa](qfc.qa). This shows commitment to being budget-friendly and quick.

Summary: Qatar (via QFC) offers a balanced option: relatively easy setup, low upfront cost, and a regulatory framework that can fit ReFi.Trading as a **tech service** rather than a full financial institution. The key is to structure the operations to avoid crossing into "managing investments" – essentially letting users retain full control. If done, QFC provides a fast launchpad with the benefit of Qatar's robust economy and innovation focus (Qatar is investing heavily in fintech and AI as part of its National Vision 2030). The market in Qatar itself is not large (population ~3 million), but the credibility of being in QFC and potential partnerships (Qatar Investment Authority and other institutions are active in fintech investments) could be valuable.

Comparative Analysis of Jurisdictions

The following table compares the five jurisdictions – **ADGM (UAE)**, **Bahrain**, **Saudi Arabia**, **Kuwait**, and **Qatar (QFC)** – on key factors for ReFi.Trading:

Jurisdiction	Regulatory Fit for ReFi.Trading	License/Sandbox Speed	Startup Friendliness	Budget Considerations
ADGM (Abu Dhabi)	**High.** Very supportive of AI-driven fintech. Clear frameworks for robo-advisors and non-custodial services. ADGM's FSRA provides RegLab sandbox and has experience with digital wealth platforms[u.ae](u.ae).	**Medium.** RegLab cohort application needed (not always open)[u.ae](u.ae). ~3–6 months for sandbox entry; or ~4–6 months for full FSP license. Overall timeline moderate.	**High.** 100% foreign ownership, common-law courts, strong investor scene. Tech startup incentive (3 years low fees). However, requires local presence in ADGM.	**Moderate-High.** Capital $50k–$250k depending on license. License fees ~$1.5k (startup) to $25k. Office and staffing in Abu Dhabi can be costly. No income tax (0% corporate) in financial free zone.
Bahrain	**High.** CBB explicitly permits robo-advice and has licensed such services[cbb.gov.bh](cbb.gov.bh). Fintech sandbox since 2017 – very familiar with innovative models (open banking, crypto, etc.)[oxfordbusinessgroup.comoxfordbusinessgroup.com](oxfordbusinessgroup.com).	**Fast.** Rolling sandbox with 15-day initial approval window[cbb.gov.bh](cbb.gov.bh); testing within weeks. Direct licensing ~2–3 months[setupinbahrain.com](setupinbahrain.com). Bahrain is known for agility in fintech approvals.	**High.** Easiest Gulf market to start in: 100% foreign ownership, low bureaucracy, FinTech Bay incubator. No corporate tax, low living costs. Regulators approachable to startups.	**Low-Medium.** Capital as low as BHD 50k (~$133k) for advisory[setupinbahrain.com](setupinbahrain.com). Sandbox phase no capital requirement[pontinova.law](pontinova.law). Gov't fees modest (license ~$10k). Office rent and salaries significantly lower than UAE.

Saudi Arabia	**Medium.** Concept fits under CMA Fintech Lab (robo-advice, social trading allowed)pontinova.law. Strong government push for fintech (Vision 2030) and SAMA/CMA interest in AI. But formal licensing for such a service not yet established – reliance on sandbox permits.	**Moderate-Slow.** Fintech Lab cohorts at CMA – applications likely decided within a few months, but only during specific windowspontinova.law. Sandbox testing up to 2 yearspontinova.law. Full license beyond sandbox could take 6-12+ months and stringent vetting.	**Medium.** Huge market potential and government funding programs, but higher barriers to entry. Foreign startups must incorporate locally post-approvalpontinova.law. Cultural/business environment demands more effort (e.g. Arabic support, Shari'a compliance).	**High.** Sandbox can waive capital needspontinova.law, minimizing initial cost. However, to operate fully in KSA, expect multi-million SAR capital for a CMA license. Running costs in Riyadh are high (salaries, rent). Corporate tax ~20% on foreign ownership share.
Kuwait	**Medium.** New CMA fintech regulations (2024) welcome robo-advisorslegalcommunitymena.comlegalcommunitymena.com. Regulatory framework is now in place, but untested. Not as comprehensive as ADGM/Bahrain yet. Banking regulator (CBK) sandbox not relevant to trading platform.	**Moderate.** No formal sandbox; direct license under new rules. Estimated 3–6+ months for CMA to review and license a digital advisor, since this is brand-new. First approvals (e.g. crowdfunding) took some time.	**Medium.** Improving – CMA's FinTech Unit signals opennesslegalcommunitymena.com. Still, foreign investors face some ownership hurdles unless using investment promotion schemes. Market size smaller, and fintech ecosystem is nascent compared to Bahrain/UAE.	**Medium-High.** Capital likely in $500k+ range (if treated as investment company). Government fees moderate. Cost of operations in Kuwait (office, staff) is relatively high (comparable to UAE). No corporate income tax for local companies, but foreign shareholder profits taxed ~15%.
Qatar (QFC)	**High (with conditions).** QFC's FinTech Services license fits non-custodial AI trading toolsqfc.qaqfc.qa. Robo-advice explicitly allowed; *robo-trading* requires special permissionqfc.qa. QFC is flexible in granting exceptions for innovative fintech.	**Fast.** QFC can incorporate and license a non-regulated fintech in **2-4 weeks** (recent fee cuts and "instant license" initiative)qfc.qaqfc.qa. If QFCRA regulated license were needed, that would be slower (3-6 months), but likely unnecessary if structured as tech service.	**High.** Very friendly to startups: 100% foreign ownership, English common-law framework. Recent reduction of fees by 90%qfc.qa. QFC offers support (Tech Circle, Digital Asset Lab). Qatar's market is smaller, but wealthy and with strong institutional support for fintech.	**Low-Medium.** Capital for FinTech Services license can be nominal (no set minimum). Application fee $500qfc.qa, annual license ~$5k. Operating costs in Doha are moderate, and tax is 10% on local profits (with potential exemptions). If needing a QFCRA financial license, capital would jump to ~$0.5–1M, but plan can likely avoid that.

Key Takeaways: ADGM and Bahrain stand out for their experience and clarity – ADGM for a world-class regulatory environment, Bahrain for speed and low cost. Saudi Arabia offers scale but at the cost of time and complexity. Kuwait is now feasible but still in early stages of implementation. Qatar's QFC is an attractive compromise, giving a quick, inexpensive setup in a reputable jurisdiction, provided the business model is adjusted to meet "non-regulated" criteria (which suits ReFi's non-custodial approach well).

Recommended Jurisdiction & Launch Plan

After weighing all factors, **the recommended jurisdiction to launch ReFi.Trading is Abu Dhabi Global Market (ADGM)** in the UAE. ADGM provides the optimal mix of regulatory clarity, supportive infrastructure, and access to markets/investors. Its regulators are already familiar with AI and fintech innovation, which aligns with ReFi's cutting-edge approach. While Bahrain is also highly attractive (and could be a strong Plan B for an initial launch due to cost advantages), ADGM offers greater scalability and prestige, which will help in attracting capital and forging partnerships (e.g. with regional brokerages or institutional clients). ADGM's environment will facilitate future expansion to other markets like Saudi Arabia, which the team can pursue once the model is proven in ADGM.

Below is a **step-by-step launch plan** for establishing and launching ReFi.Trading in **ADGM**. This plan is structured in executable steps, covering the preparation, application, testing, and post-licensing phases:

1. **Confirm Regulatory Approach in ADGM (Week 1-2):**
    - Engage a UAE legal advisor or schedule a meeting with ADGM's Fintech Regulatory team to discuss ReFi.Trading's model.
    - **Outcome:** Determine whether to proceed via the **RegLab sandbox** or direct **FSP licensing**. (Given ReFi's novel AI compliance features, the RegLab is recommended to fast-track initial operations.)
2. **Prepare Documentation & UAE Entity Setup (Week 2-4):**
    - Name reservation and incorporation documents for an ADGM company (choose a suitable name and get it approved).
    - Prepare a detailed **Business Plan and Regulatory Test Plan**: Include product description, how it meets ADGM's innovation criteria, risk mitigation (zk-proofs, etc.), and a roadmap for the testing phase.
    - Compile compliance policies (AML/KYC procedures, client agreement drafts, risk management policies) required for the application.
    - **Outcome:** ADGM company incorporation documents ready; application materials drafted.
3. **Apply to ADGM RegLab Sandbox (Cohort Application) (Week 5):**
    - Submit the **RegLab application** through ADGM's online portal during the open application periodu.ae. Attach the business plan, testing plan, and all required

forms.

- **Outcome:** Application submitted successfully (receive confirmation and reference number).

4. **Application Review & Q&A (Week 6-10):**

    - Respond promptly to any ADGM follow-up questions or requests for clarification. ADGM may ask about the AI model's safety or how zero-knowledge proofs ensure compliance – be prepared with technical whitepaper excerpts and demos.

    - **Outcome:** Satisfy ADGM's due diligence, convincing them of ReFi's value and safety.

5. **In-Principle Approval & Entity Establishment (Week 11-12):**

    - If accepted into RegLab, ADGM will issue an **In-Principle Approval** for the RegLab FinTech license.

    - Proceed to formally **incorporate the ADGM entity** (if not already). Use the **Tech Start-up license incentive** to keep costs low – this involves paying ~$1,500 and renting a flexidesk or co-working space in ADGM.

    - Open an ADGM corporate bank account (needed for injecting capital and operational transactions).

    - **Outcome:** "ReFi Trading ADGM Ltd" is legally formed and has received its RegLab finTech license approval (subject to final procedural steps).

6. **Operational Readiness (Week 13-16):**

    - Hire/assign key personnel required by ADGM: e.g. a Compliance Officer/MLRO and a Finance Officer (these can be outsourced or part-time at early stage). Ensure at least one senior executive is resident in the UAE (perhaps a founder relocates or is appointed as UAE resident director).

    - Implement any ADGM-specific systems: e.g. integrate an electronic Know-Your-Customer solution for onboarding test users per ADGM's AML rules.

    - Finalize integration with brokers (Alpaca, IB) via API and test trade execution flows in a sandbox environment. Generate sample **zk-proof reports** and **attestation logs** to demonstrate to regulators how compliance is verified each trade.

- **Outcome:** The platform is technically and operationally ready to onboard users in a controlled manner. Internal processes meet ADGM standards.

7. **RegLab Launch – Testing Phase Begins (Week 17):**
   - On receiving the final RegLab acceptance and license documentation, launch the service in **testing mode**. This likely means limiting to a certain number of users (as agreed with ADGM – e.g. first 50 clients, possibly only sophisticated investors initially).
   - Publicize a soft launch: reach out to known friendly users (perhaps regional family offices or tech-savvy traders) to participate in the beta. Emphasize it's under ADGM RegLab and all trades are in their own brokerage accounts for transparency.
8. **Monitor, Collect Data & Iterate (Month 5-12):**
   - Throughout the RegLab period (typically 6–12 months initially), closely monitor system performance, compliance metrics, and user feedback.
   - **Monthly reports**: Submit required reports to ADGM – e.g. number of users, volume traded, any compliance flags raised by the ACE attestation engine. Demonstrate that the dual-proof system is effectively preventing breaches (for instance, show that no trades exceeded risk thresholds without a zk-VaR block).
   - Hold periodic check-in meetings with the FSRA sandbox team to discuss progress. ADGM may allow gradual expansion of user count if all goes well.
9. **Transition to Full License (Month 9-12):**
   - Start preparing for the post-sandbox phase. If the testing is successful, decide on the permanent licensing route: likely a **Financial Services Permission** as an Asset Manager (Category 3C) or Advisor (Category 4).
   - Prepare the full FSP application (which will be more extensive – including audited financial statements of the test phase, proving capital adequacy, and possibly raising additional capital if needed to meet the threshold). Leverage the sandbox results to support the application (e.g. "We have managed X accounts with $Y assets with no compliance incidents over 9 months").
   - **Outcome:** Submit FSP application around Month 12, aiming to align license approval by the time the RegLab period concludes. (ADGM may expedite this for successful sandbox graduates.)

10. **Scaling and Regional Expansion (Month 13+):**
    - With a full ADGM license in hand (or extended sandbox approval until full license is granted), begin scaling operations. Lift user count limits and start broader marketing in the GCC region – emphasize ADGM regulation as a mark of quality.
    - **Budgeting & Hiring:** Secure or allocate budget for growth – e.g. hire more AI engineers (perhaps tap into Abu Dhabi's Hub71 talent network), customer support in Arabic and English, and a dedicated compliance manager now that user volume is growing.
    - Plan secondary market entries: use ADGM experience to apply to **Saudi CMA Fintech Lab** (if a strategic goal) – leverage ADGM's endorsement to strengthen the case. Also monitor Kuwait and Qatar markets for opportunities (potentially partner with a local institution in those countries using your ADGM credentials).
    - **Outcome:** ReFi.Trading moves from a testing startup to a fully licensed AI-driven asset management platform in ADGM, poised to onboard clients across the Middle East under a reputable regulatory umbrella.
11. **Ongoing Compliance & Optimization (Continuously):**
    - Ensure all ADGM regulatory obligations are met annually: renew licenses, pay fees, submit audited accounts. Remain responsive to any new FSRA guidelines (for example, ADGM might issue AI governance rules in the future – implement them proactively).
    - Continuously improve the AI models using live trading data gathered, and update the zk-proof parameters in consultation with FSRA if strategy changes. Keep the regulators informed about major upgrades – ADGM appreciates transparency and proactive engagement.

By following this plan, ReFi.Trading can achieve a successful launch in ADGM within roughly **4-5 months** and complete a controlled rollout within **12 months**, all while building credibility and a regulatory track record. This positions the company strongly for subsequent scaling in other jurisdictions or raising further investment. Each step above is designed to meet regulatory milestones and business objectives in a logical sequence, ensuring a compliant and timely market entry for ReFi.Trading's innovative platform.