

VARA Consumer and Marketplace Alert - Update on the Real Estate Tokenisation Pilot

Date: 19 February 2026

The Dubai Virtual Assets Regulatory Authority (VARA) issues this alert regarding recent market communications and representations relating to participation in Dubai's real estate tokenisation pilot (the "Real Estate Tokenisation Pilot") and the offering of tokenised real estate products in/from the Emirate of Dubai.

VARA confirms that the initial pilot phase of the Real Estate Tokenisation Pilot has been completed.

The first phase validated the core technological architecture, regulatory framework, and operational feasibility underpinning the tokenisation of real estate assets in Dubai.

Following the conclusion of Phase 1, the initiative has entered a controlled testing and evaluation phase (Phase 2). This next phase focuses on assessing additional functionalities — including secondary-market mechanisms — and determining the appropriate scope, sequencing, and conditions for any future expansion. All activity during Phase 2 is being conducted under close regulatory oversight and in continued coordination between DLD and VARA.

It has come to VARA's attention that some entities may be referencing the initiative in promotional materials, informal communications, or marketing claims without the necessary regulatory approvals, or implying participation beyond what has been formally authorised.

Key points for investors and market participants:

- Regulatory status: Real estate tokenisation and related virtual asset activities are regulated under VARA's Rulebooks. Any entity offering, marketing, or facilitating tokenised real estate products in or from Dubai must hold the appropriate licence or approval from VARA and any other relevant competent authority.
- Legal framework: In accordance with Dubai Law No. (4) of 2022 and Cabinet Resolution No. 111/2022, no person may carry out virtual asset activities in or from Dubai without the required licence or approval from VARA.
- Official communications: VARA is the competent authority for virtual asset regulation in Dubai (excluding the DIFC). Only formal communications issued directly by VARA should be relied upon to confirm participation, approval status, or regulatory standing in relation to the initiative.
- Any promotion, advertising, or solicitation relating to tokenised real estate products in or from Dubai that has not been duly authorised under VARA's regulations should be treated with caution.

DLD and VARA remain fully aligned in advancing the Real Estate Tokenisation Pilot in a measured, transparent, and responsible manner. The initiative supports Dubai's broader vision to establish a global benchmark for regulated real-world asset tokenisation, underpinned by strong governance, investor protection, and market integrity. Further updates will be issued by the relevant authorities as the evaluation phase progresses and subsequent steps are formally confirmed.

VARA advises investors and market participants to verify the regulatory status of any firm via VARA's Public Register before engaging in any virtual-asset-related activity. If you are aware of any entities engaging in unlicensed virtual asset activity, please notify VARA at varaconnect@vara.ae.

VARA is the designated authority responsible for regulating, supervising, and monitoring virtual asset activities in the Emirate of Dubai (excluding the Dubai International Financial Centre). VARA remains committed to protecting consumers and investors and to preserving market integrity.