



سُلطة تنظيم الأصول الافتراضية

VIRTUAL ASSETS REGULATORY AUTHORITY

# About the Virtual Assets Regulatory Authority (VARA)

The Virtual Assets Regulatory Authority (VARA) regulates and supervises the provision, use, and exchange of virtual assets within and from Dubai.

As the world's first independent regulator for virtual assets, VARA acts as a transparent and reliable authority in the evolving virtual asset landscape. VARA's goal is to extend its mission globally by developing a regulatory framework that can be easily adopted worldwide.

# Authorized Activities Overview

A Virtual Asset Service Provider (VASP) can apply for a license to conduct multiple activities under a single comprehensive license, except in cases involving Custody Services. For Custody Services, there are specific requirements to separate activities and/or ensure independent governance or maintain an arm's-length relationship with other services.

Among the current eight regulated activities, Virtual Asset Custody Services is the only one requiring segregation from other Virtual Asset Service license categories. In this case, a Virtual Asset Custodian must be established as a separate legal entity with its own standalone license.

Licensed VASPs are not permitted to engage in proprietary trading or to trade their group's asset portfolio under their regulated activity license(s). A separate entity must be established for any proprietary trading activities.

VASPs licensed for multiple activities must fully meet the requirements for each activity and ensure ongoing compliance.

Any VASP or entity from the traditional economy intending to offer the following Virtual Asset (VA) activities must first apply for and obtain a license from VARA before beginning operations in or from Dubai. This applies to services offered to local residents or global customers, where the activity is allowed.

# License Submissions

VARA invites Virtual Asset firms to seek regulation in Dubai. Its regulatory framework is built on clear guidelines that encourage responsible and proactive market involvement. VARA welcomes applications from both UAE-based and international firms that align with its principles to apply for a Virtual Asset Service Provider (VASP) License.

Any firm intending to conduct Virtual Asset activities in or from Dubai (excluding DIFC) is legally required to obtain a license from VARA before starting operations.

Applications can be submitted through Dubai Economy and Tourism (DET) for firms on the mainland or through any Dubai Freezones (FZ) within the Emirate of Dubai, excluding DIFC.

# Suspicious Transaction Reporting

1. VASPs should have mechanisms in place to allow the first line to report suspicions to the MLRO.
2. If there is suspicion or reasonable grounds to believe in a potential ML/FT crime, the MLRO must promptly report it to the FIU via the GoAML platform, as well as to VARA.
3. The MLRO must respond promptly to any additional information requests from the UAE FIU and/or VARA, and in all cases within 48 hours of receiving such requests.
4. The MLRO must take any further actions requested by the UAE FIU and/or VARA within the specified timeframe provided in these requests.
5. Employees must avoid tipping off clients about any suspicions, as doing so would be considered an ML offense.

## Conclusion

In conclusion, VARA stands as a pioneering force in the regulation of virtual assets, offering a clear, transparent, and trusted framework that promotes responsible market participation. As the world's first independent regulatory body for virtual assets, VARA ensures that firms operating in the virtual asset space adhere to high standards of compliance, integrity, and security. By fostering innovation while maintaining a strong regulatory foundation, VARA is positioning Dubai as a global leader in the virtual asset industry.

For more information or inquiries, please reach out to **PSP Angels Group**.

# PSP ANGELS GROUP

We believe that payment and banking should be part of the overall business strategy, not just seen as part of the finance function.

Payment and banking impact every area of the business- customer experience, risk management, technology, product development, data security, compliance, finance, and more. We handle it as such.

This is a pioneer and unique approach – and it's proven that our framework can achieve significant results in terms of risk, cost, and time optimization around the business processes.

We help our clients make informed decisions about the **possible options, prices, and risks**. Through our personalized consulting services, we establish an overall **payment and banking strategy**.

## LET'S TALK!

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