حكومة دبي
GOVERNMENT OF DUBAI

سُلطة تنظيم الأصول الافتراضية
VIRTUAL ASSETS REGULATORY AUTHORITY

Virtual Asset Issuance Rulebook

19 May 2025

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Introduction

This Virtual Asset Issuance Rulebook ("**VA Issuance Rulebook**") is issued by VARA pursuant to the Virtual Assets and Related Activities Regulations 2023, as may be amended from time to time ("**Regulations**"), and includes requirements that all Entities in the Emirate wishing to issue a Virtual Asset must follow.

The requirements defined herein cover explicit categories and conditions to be met for VA issuances in each category, including but not limited to—

- Category 1 VA Issuances that require a VARA Licence;
- Category 2 VA issuances; and
- Exempt VA issuances.

The Rules contained in this VA Issuance Rulebook operate in addition to the regulation of VA Activities carried out in the Emirate.

In order to address emerging risks and the continually evolving developments in the Virtual Assets sector globally and in the Emirate, VARA will continue to monitor these Rules and any Annex hereto and amend them from time to time. In addition to the Rules in this VA Issuance Rulebook, specific Rules or Directives for certain types of Virtual Assets (as defined by VARA) shall be made available from time to time.

The most updated version of the Regulations, this VA Issuance Rulebook and any additional Rules or Directives shall be made available on VARA's website.

Capitalised terms in this VA Issuance Rulebook have the meanings defined herein or as defined in Schedule 2 – Definitions.

DISCLAIMER

Any Licence granted by VARA under this VA Issuance Rulebook is not an endorsement of either (i) the Issuer or (ii) any Virtual Asset and must not be construed or considered as such.

A Licence to issue Virtual Assets granted by VARA under this VA Issuance Rulebook does not exempt any Entity from obtaining relevant approvals in respect of any specific Virtual Asset where mandated under any VARA Regulations, Rules or Directives.

Unless otherwise specified in its communications, VARA makes no representation and does not provide any warranties regarding any Issuer or Virtual Asset including, but not limited to, their fitness for purpose, suitability or regulatory status in any jurisdiction other than the Emirate of Dubai, UAE.

Any representation contrary to the above shall be deemed to be a breach of the Virtual Assets and Related Activities Regulations 2023, as amended from time to time.

Part I – Licence Requirements

A. General requirement

1. All Entities in the Emirate that issue a Virtual Asset in the course of a business, must comply with this VA Issuance Rulebook, as may be amended by VARA from time to time.

2. "In the course of a business" requirement. For the purposes of Rule I.A.1 of this VA Issuance Rulebook, in determining whether an Entity has issued a Virtual Asset in the course of a business, VARA shall retain sole and absolute discretion, with the following factors forming part of the consideration criteria—

   a. whether the Entity holds itself out as issuing the Virtual Asset in the course of a business;

   b. the regularity and scale with which the Entity issues Virtual Assets;

   c. whether there is any direct or indirect commercial element to the Virtual Asset or in how the Virtual Asset is issued,

   d. whether the Entity receives remuneration, incentive or other value in kind benefit,

   e. whether the Entity is related to any commercial or business activity in any way;

   f. includes not-for-profit, non-profit and charitable organisations, foundations, associations and associated activity(ies);

   g. Category 1 VA Issuances are, in all events without exception, deemed to be carried out in the course of a business; and

   h. VA issuances that do not fall under Category 1, and that are carried out solely for personal and/or non-commercial use, may not be deemed to be issued in the course of a business.

3. VARA will, from time to time, assign categorisations to the issuance of certain types of Virtual Assets depending on the nature of the issuance and/or underlying business model associated with the Virtual Asset. VARA may impose additional specific or nuanced requirements on such issuances which, unless otherwise stated, will apply in addition to the requirement for the Issuer to obtain a Licence and/or thereafter obtain prior approval from VARA of the Whitepaper.

B. Prohibited Virtual Assets

1. As specified in the Regulations, issuing Anonymity-Enhanced Cryptocurrencies and all VA Activity(ies) related to them are prohibited in the Emirate.

C. VA issuance categories and prior requirements

1. VA issuances in the Emirate are categorised, along with the applicable requirement prior to the Virtual Asset being issued, as follows—

Category	Applicable types of VA issuances	Prior requirement
Category 1	Issuance of any— (i) Fiat-Referenced Virtual Assets ("**FRVAs**"); (ii) Asset-Referenced Virtual Assets ("**ARVAs**"); or (iii) other Virtual Assets as may be determined by VARA from time to time.	VARA Licence.
Category 2	Issuance of any Virtual Asset which does not constitute— (i) a Category 1 VA Issuance; or (ii) an Exempt VA.	No VARA Licence required, but all placement or distribution must be carried out through or by a Licensed Distributor.
Exempt VAs	Issuance of any Virtual Asset which does not constitute a Category 1 VA Issuance and is either— (i) a Non-Transferable Virtual Asset; (ii) a Redeemable Closed-Loop Virtual Asset; or (iii) other Virtual Asset as may be determined by VARA from time to time.	No requirements prior to issuance.

2. When determining the category of a VA issuance, VARA will consider all factors it deems appropriate, including but not limited to, the—

a. nature of all Virtual Assets or types of Virtual Assets;

b. rights and/or value which the Virtual Asset represents or purports to represent; and

c. the underlying business model associated with the Virtual Asset.

3. If any change is proposed to a Virtual Asset which may result in its issuance no longer qualifying under the original categorisation in Rule I.C.1 of this VA Issuance Rulebook, the Issuer must comply with all requirements of the category under which the Virtual Asset will fall after such change has been made. The Issuer must ensure all such future requirements are met prior to any proposed change to the Virtual Asset taking effect which, for the avoidance of doubt, may include the Issuer obtaining a Licence from VARA and/or thereafter obtaining prior approval from VARA of the Whitepaper, where necessary.

D. Category 1 VA Issuance

1. No Entity in the Emirate may carry out any Category 1 VA Issuance, unless it is authorised and Licensed by VARA for the VA issuance.

2. As stated in the Regulations, carrying out Category 1 VA Issuance is a VA Activity. In addition to compliance with this VA Issuance Rulebook, and all other Regulations, Rules and Directives as communicated by VARA in its Licence, or otherwise from time to time, all Entities seeking to carry out Category 1 VA Issuance will be required to comply with the following Rulebooks—

a. Company Rulebook;

b. Compliance and Risk Management Rulebook;

c. Technology and Information Rulebook; and

d. Market Conduct Rulebook.

3. For the avoidance of doubt, all Rules in Rulebooks apply cumulatively in addition to all other requirements in the Regulations, Rules and Directive and as such, in the event of overlap, the higher standard of compliance must be met at all times.

4. Licensing process. All Entities seeking a Licence from VARA to carry out Category 1 VA Issuance shall adhere to the licensing process as prescribed by VARA from time to time when applying for such Licence.

5. FRVA Rules. All Entities seeking to carry out the issuance of an FRVA will, in addition to compliance with all other Regulations, Rules and Directives as communicated by VARA in its Licence, or otherwise from time to time, be required to comply with the FRVA Rules in Annex 1 of this VA Issuance Rulebook at all times.
6. ARVA Rules. All Entity seeking to carry out the issuance of an ARVA will, in addition to compliance with all other Regulations, Rules and Directives as communicated by VARA in its Licence, or otherwise from time to time, be required to comply with the ARVA Rules in Annex 2 of this VA Issuance Rulebook, at all times.
7. Revocation or Suspension. VARA may, in its sole and absolute discretion, revoke a Licence for Category 1 VA Issuance in the event of any of the following—
    a. the Entity which has received the Licence has not issued the Virtual Asset within six (6) months after the approval has been granted;
    b. the Entity which has received the Licence obtained the Licence by making false or misleading statements including, but not limited to, in the Whitepaper, during the licensing process in Rule I.D.4 above, or in any other communications with VARA or the public;
    c. the Entity which has received the Licence no longer meets, or is in breach of, any of the conditions imposed by VARA in relation to the Licence;
    d. infringement of any Regulation, Rule or Directive;
    e. violation of any regulatory requirements applicable in other jurisdictions;
    f. the Entity which has received the Licence is Insolvent, subject to Insolvency Proceedings or otherwise has been put under an orderly wind-down plan in accordance with applicable insolvency laws;
    g. the Entity which has received the Licence has decided to stop its operations;
    h. on any ground on which VARA might refuse to issue a Licence;
    i. for Good Cause; or
    j. other grounds determined by VARA in exercising its powers, performing its functions or fulfilling its objectives under the Dubai VA Law.

8. Entities shall immediately notify VARA of any of the situations referred to in Rule I.D.7 of this VA Issuance Rulebook.

E. Category 2 VA issuance

1. Entities in the Emirate may only issue Virtual Assets that fall within Category 2 above provided that, all placement and distribution is carried out by a Licensed Distributor.
2. Provided that Rule I.E.1 of this VA Issuance Rulebook is met, Entities in the Emirate that issue Virtual Assets that fall within Category 2 above do not need prior approval from VARA.
3. Licensed Distributors who provide Licensed Distribution Services to Issuers of Virtual Assets that fall within Category 2 above, assume the responsibility for assuring and validating that the Issuer complies with this VA Issuance Rulebook.
4. Licensed Distributors who provide Licensed Distribution Services to Issuers of Virtual Assets that fall within Category 2 above, must continue to comply with all other applicable Regulations, Rules and Directives, as well as any conditions of their Licence, at all times when providing such services.
5. No Virtual Asset issued under Category 2 shall be deemed in any way to have been approved by VARA and may not be construed or considered as such. VARA makes no representation and does not provide any warranties regarding any Issuer or Virtual Asset including, but not limited to, their fitness for purpose, suitability or regulatory status in any jurisdiction.

F. Exempt VAs

1. Entities in the Emirate may issue Exempt VAs without prior approval from VARA, provided that, they comply with Part II of this VA Issuance Rulebook at all times.
2. Issuers of Exempt VAs issued in accordance with Rule I.F.1 of this VA Issuance Rulebook shall remain subject to VARA's supervision, examination and enforcement at all times, in accordance with Part IV of this VA Issuance Rulebook.

Part II – General Rules

1. All Entities in the Emirate carrying out the issuance of any Virtual Asset shall comply with the following general Rules, at all times, when conducting all their business from or in the Emirate, including issuing any Virtual Asset—

   a. *Integrity, honesty and fairness*: All Issuers should act fairly, clearly and in good faith, so as to not mislead and to serve the best interests of owners of the Virtual Assets they issue and preserve market integrity. Issuer shall use clear and transparent wording in all communications and public disclosures, treat all owners of the Virtual Asset fairly, and engage in ethical market practices;

   b. *Diligence*: All Issuers must act with the due skill, care and diligence reasonably expected of an Issuer taking into the account the nature of the Virtual Asset;

   c. *Capabilities and resource*: All Issuers must have and effectively employ the necessary resources (including technical, financial and otherwise), for the sound, effective and efficient operation of the issuance taking into the account the nature of the Virtual Asset, as well as all applicable legal and regulatory requirements;

   d. *Effective communication and disclosures*: All Issuers must ensure that all communications and disclosures, including but not limited to those applicable in Part III of this VA Issuance Rulebook, are clear, concise, effective and contain all information necessary for owners and/or prospective owners of the Virtual Asset to make an informed decision and be kept up-to-date. All Issuers should dispatch information in a timely manner if ongoing disclosure is required by any relevant authorities including, but not limited to, VARA;

   e. *Legal and regulatory compliance*: All Issuers must comply with all applicable laws and regulatory requirements in the UAE and as may apply to their business or operations in any jurisdiction at all times including, but not limited to, consumer protection laws; and

   f. *Environmental responsibility*: All Issuers must act in an environmentally responsible manner including, but not limited to, mitigating negative environmental impacts of the Virtual Asset and disclosing how they identify, assess and manage other climate-related risks relevant to the issuance and/or project lifecycle of the Virtual Asset.

Part III – Whitepapers and Public Disclosures

A. Application

1. All Entities in the Emirate issuing a Virtual Asset must comply with this Part III of the VA Issuance Rulebook, and publish both a Whitepaper and a Risk Disclosure Statement.
2. The only exception to Rule III.A.1 of this VA Issuance Rulebook is that Issuers of Exempt VAs do not need to publish a Whitepaper or a Risk Disclosure Statement in respect of Exempt VAs only.

B. Whitepapers

1. Initial Whitepaper. Prior to issuing a Virtual Asset, all Entities in the Emirate issuing a Virtual Asset shall provide the relevant disclosures set out in Schedule 1 of this VA Issuance Rulebook in a single easily accessible location in a machine-readable format, or in any form as may be prescribed by VARA from time to time ("**Whitepaper**").
2. In addition to the relevant disclosures set out in Schedule 1 of this VA Issuance Rulebook, Issuers of any Category 1 VA Issuance will be required to include all additional information in the Whitepaper that is stipulated in any Annex applicable to the type of Virtual Asset being issued, as may be stipulated by VARA from time to time.
3. No Issuer may exclude, or attempt to exclude, any form of actual or potential civil liability in respect of any information in any Whitepaper, or any other disclosure or communication.
4. Issuers must publish the Whitepaper prior to making the Virtual Asset available to the public, including any offer or Marketing. The Whitepaper shall remain subject to all Rules set out in this VA Issuance Rulebook for as long as the Virtual Asset is available to the public.
5. Whitepaper updates. Issuers must ensure the Whitepaper is accurate and complete at all times including, but not limited to, making any necessary changes to the Whitepaper, or publishing an updated Whitepaper, in the event of changes to the Virtual Asset.
6. Issuers must take all reasonable steps to ensure owners of Virtual Assets are notified of any changes to a Virtual Asset prior to any such changes taking effect, except in the event an Issuer needs to implement any changes in response to a security or other threat, or which is in the best interests of maintaining the integrity of the Virtual Asset.

7. In the event of any update to the Whitepaper, Issuers must clearly state the date on which the Whitepaper has been updated and ensure all previous versions remain easily accessible in the same format and location in which they were initially published. Records of all versions of the Whitepaper must be kept for a minimum of eight (8) years, starting from the date on which the Virtual Asset ceases to be in circulation.

C. Risk Disclosure Statements

1. Initial Risk Disclosure Statement. Issuers must publish a statement that includes a detailed description of all material risks related to the Virtual Assets being issued as applicable in a machine-readable format ("**Risk Disclosure Statement**"). The Risk Disclosure Statement shall be drawn up as a document written in a concise manner, in a language that is clear, non-technical and comprehensible for owners of the Virtual Asset. Risk Disclosure Statements shall be made available in the same easily accessible location as, but remain separate from, the Whitepaper.
2. Risk Disclosure Statement updates. Issuers must ensure the Risk Disclosure Statement is accurate and complete at all times including, but not limited to, making any necessary updates to the Risk Disclosure Statement, or publishing an updated Risk Disclosure Statement, in the event of changes to the Virtual Asset.
3. In the event of any update to the Risk Disclosure Statement, Issuers must clearly state the date on which the Risk Disclosure Statement has been updated, and ensure all previous versions remain easily accessible in the same format and location in which they were initially published. Records of all versions of the Whitepaper must be kept for a minimum of eight (8) years, starting from the date on which the Virtual Asset ceases to be in circulation.

Part IV – Supervision, Examination and Enforcement

1. Issuers are reminded that under the Dubai VA Law and the Regulations, VARA has supervisory, examination and enforcement powers in relation to all Virtual Assets and VA Activities in the Emirate.
2. In respect of any Virtual Asset, including all categories specified in this VA Issuance Rulebook, which has already been issued or in the process of being issued, VARA may require an Issuer to suspend issuing the Virtual Asset, or issuing further Virtual Assets, if VARA believes a Virtual Asset, how it is being issued or the Issuer does not comply with any aspect of this VA Issuance Rulebook. VARA may also impose additional conditions and/or take further enforcement action within its power including, but not limited to, imposing fines or penalties.
3. Issuers must provide VARA with any books or other records requested by VARA to facilitate any examination of and/or investigation into the Issuer's compliance with its obligations under the Regulations including, but not limited to, this VA Issuance Rulebook.
4. Issuers shall ensure that VARA is granted all access as requested by VARA to perform its supervision, examination and enforcement responsibilities including, but not limited to—
    a. immediate access to all premises, data, books and records throughout the period of VARA's examination;
    b. all assistance necessary to ensure immediate access including authentication or approvals; and
    c. ensure that doing so does not violate the local laws of any other jurisdiction in which the Issuer operates.

Schedule 1 – VA Whitepaper Requirements

A. Application

1. In accordance with Part III of this VA Issuance Rulebook, all Entities in the Emirate issuing a Virtual Asset must publish a Whitepaper, except in respect of Exempt VAs only.
2. The following table lists the information that Issuers and/or their Licensed Distributors must first consider as a minimum for each Virtual Asset when creating the Whitepaper.
3. VARA recognises that upon consideration of each item in the table by Issuers and/or their Licensed Distributors, not all of the information listed in this table will be applicable for every Virtual Asset. At such time, Issuers and/or their Licensed Distributors must exercise professional judgement, acting in accordance with the General Rules in Part II of this VA Issuance Rulebook at all times, when determining if the information listed in this table is applicable for the purposes of inclusion in a Whitepaper of a specific Virtual Asset.
4. If an Issuer and/or their Licensed Distributor fails to include any of the information listed in the table below in a Whitepaper, and it is later found that the information was applicable, then the Whitepaper does not comply with this VA Issuance Rulebook.
5. VARA will not be responsible for confirming, and will not accept requests to confirm, the applicability of any of the areas listed in the table to any Virtual Asset or Whitepaper. Issuers and/or their Licensed Distributors shall be fully responsible for the accuracy and completeness of all Whitepapers.

B. Whitepaper Requirements

A.	Information about the Issuer
i.	the Issuer's name, legal structure, registered address, and head office location (if different);
ii.	the Issuer's date of incorporation or registration;
iii.	the identity of the Issuer's parent company;
iv.	the identities, business addresses, and functions of the Issuer's owners, management and/or members;
v.	whether any individual involved in the issuance, including the Issuer's owners, management and/or members, has been convicted of any offence of dishonesty, fraud, financial crime or

	an offence under laws relating to companies, banking, insolvency, money laundering and insider dealing, and, to the extent permissible under applicable laws, whether any individual is subject to ongoing inquiries or investigations in respect of such offences;
vi.	the business, business related and/or professional activities of the Issuer, including any regulatory authorisations or Licences, and its group;
vii.	the Issuer's financial condition over the past three (3) years, or since registration if the Issuer has existed for less than three years;
viii.	an assessment based on a fair review of the development, performance, and position of the Issuer's business over the past three (3) years, or since registration if the Issuer has existed for less than three (3) years, including the causes of any material changes. The assessment should be a balanced and comprehensive analysis of the Issuer's business development, performance, and position, and should be consistent with the size and complexity of the business;
ix.	a detailed description of the Issuer's governance arrangements;
x.	if the Issuer issues other Virtual Assets or undertakes other Virtual Assets Activities, this should be clearly stated;
xi.	if there is any connection between the Issuer itself and the Entity or organisation that has control of the DLT used to issue the Virtual Assets, including if the DLT is run, managed or controlled by an Entity closely connected to the Issuer or other project participants; and
xii.	details of all Entities (including businesses addresses or company domiciles) involved in the issuance and/or operation of the Virtual Asset, such as advisors, development teams, and/or VASPs.
B.	**Information about the Virtual Asset**
i.	the name, abbreviation or ticker handler of the Virtual Asset;
ii.	a description of the characteristics of the Virtual Asset and all features and uses;
iii.	information about the plans for the Virtual Asset and all related projects, including a description of the past and future milestones and resources already allocated;
iv.	an explanation of the target market of the Virtual Asset, including any restrictions as regards the type of owners;

v.	the name of any trading platform for Virtual Assets where admission to trading is or will be sought, and information about how investors can access such trading platforms and the costs involved;
vi.	information about technical requirements necessary to own and/or hold the Virtual Asset, including but not limited the types of VA Wallets with which the Virtual Asset is compatible;
vii.	a detailed description of the issuance structure of the Virtual Asset, in particular the number that will be issued, the issuance schedule, when all of the supply of the Virtual Asset will be made available and how many will be allocated or retained by any party, including but not limited to the Issuer, its investors and/or advisors; and
viii.	the planned use of any proceeds or consideration received by the Issuer, in any form, related to issuing the Virtual Asset.
C.	**Information about the rights and obligations attached to the Virtual Asset**
i.	a description of the characteristics and functionality of the Virtual Asset being issued, including information about whether the functionality will change, and if so when such changes will take place;
ii.	a description of the rights and obligations, if any, of the owner, and the procedure and conditions for the exercise of those rights;
iii.	whether the rights represented by the Virtual Asset may differ depending on what DLT or platform the Virtual Asset is acquired or used;
iv.	a description of the conditions under which the rights and obligations may be modified;
v.	information on subsequent issuances or offers that may have a dilutive effect on the Virtual Asset being issued, and the number of units of the Virtual Asset retained by the Issuer itself;
vi.	information on how and where the Virtual Asset can be purchased or sold after the issuance;
vii.	any restrictions on the transferability, or additional steps required to give legal effect to a transfer of ownership, of the Virtual Asset that is being issued;

viii.	a description of protection schemes protecting the value of the Virtual Asset or any initial investments in the Virtual Asset;
ix.	information on the nature and enforceability of rights, including permanent rights of redemption and any claims that owners may have against the Issuer;
x.	information on any rights an owner of the Virtual Asset will have in the event the Issuer is Insolvent, including in the context of any scheme of arrangement or recovery plan;
xi.	information on whether different rights are allocated to different owners, and the non-discriminatory reasons for such different rights;
xii.	information on the arrangements put in place by the Issuer to ensure the liquidity of the Virtual Asset, including the name of the Entities in charge of ensuring such liquidity;
xiii.	the contact details for submitting complaints, and a description of the complaints-handling procedures and any dispute resolution mechanism or redress procedure established by the Issuer of the Virtual Asset;
xiv.	detailed information on any rights of redemption and how the Virtual Asset is redeemed, including whether the owner will be able to choose the form of redemption, the form of transference, or the official currency of redemption;
xv.	any material legal or regulatory considerations applicable to owning, storing, transferring, or otherwise using the Virtual Asset, including to give legal effect to a transfer of ownership; and
xvi.	the law applicable to the Virtual Asset, as well as the competent court.
D.	**Information about underlying technology**
i.	information on the technology used, including DLTs, as well as protocols and technical standards, allowing for the holding, storing, and transfer of Virtual Assets;
ii.	information on the consensus mechanism used by the DLT on which the Virtual Asset is issued including, where the Virtual Asset is issued on more than one DLT whether any variances in mechanisms used by different DLTs give rise to a variance in the rights of owners of the Virtual Asset;
iii.	incentive mechanisms to secure transactions and any applicable fees;

iv.	if the Virtual Asset is issued, transferred, and stored using DLT that is operated by the Issuer or a third-party acting on the Issuer's behalf, a detailed description of the functioning of such DLT and information on the outcome of any audits, if such an audit was conducted, including what Entity carried out the audit; and
v.	a statement on the environmental and climate-related impact of the Virtual Asset.
E.	**Information about the Licensed Distributor**
i.	name;
ii.	legal form;
iii.	registered address and head office, where different;
iv.	VARA Licence number;
v.	the name of the parent company; and
vi.	business or professional activity of the Licensed Distributor and of its parent company.
F.	**Information about any initial offer to the public of the Virtual Asset**
i.	the reasons for any offer to the public;
ii.	the amount that the offer to the public intends to raise denominated in AED, including any minimum and maximum target subscription goals set for the offer to the public of the Virtual Asset;
iii.	whether oversubscriptions are accepted and how allocations will be determined in the event of oversubscription;
iv.	a specific notice that purchasers participating in the offer to the public of Virtual Asset will be reimbursed if the minimum target subscription goal is not reached at the end of the offer to the public, or if the offer is cancelled, and a detailed description of the refund mechanism, including the expected timeline of when such refunds will be completed;
v.	the issue price of the Virtual Asset being offered to the public, denominated in both AED and/or any other Virtual Assets;
vi.	the total number of Virtual Assets to be offered to the public, and the percentage of the total supply in circulation (i.e. supply available prior to the intended new issuance) of the Virtual Asset that the offer to the public represents;

vii.	an indication of the prospective owners targeted by the offer to the public, including any restriction as regards the type of owners for such Virtual Assets;
viii.	information about the various phases of the offer to the public of Virtual Assets, including information on discounted purchase prices for early purchasers of Virtual Assets (pre-public sales). In the case of discounted purchase prices for some purchasers, an explanation why purchase prices may be different, and a description of the impact on the other investors;
ix.	for time-limited offers, the subscription period during which the offer to the public is open;
x.	arrangements to safeguard funds or other Virtual Assets during the time-limited offer to the public or during the withdrawal period;
xi.	methods of payment to purchase the Virtual Assets offered, and methods of transfer of the value to the purchasers when they are entitled to be reimbursed;
xii.	information on any rights the Issuer has to withdraw or cancel the offer to the public;
xiii.	information on the manner and time schedule of transferring the purchased Virtual Assets to the owners and/or holder;
xiv.	expenses to be incurred by purchasers of the Virtual Asset related to the offer to the public of the Virtual Asset, including any applicable subscription fee or the method in accordance with which the offer price will be determined;
xv.	potential conflicts of interest of the persons involved in the offer to the public arising in relation to the offer; and
xvi.	the law applicable to the offer to the public of Virtual Assets, as well as the competent court.

Schedule 2 – Definitions

Term	Definition
"Anonymity-Enhanced Cryptocurrencies"	has the meaning ascribed to it in the Regulations.
"Asset Referenced Virtual Asset" or "ARVA"	means any Virtual Asset, that is not an FRVA, and which— (a) represents, or purports to represent, direct, indirect, current, future or contingent ownership of any RWA; (b) represents, or purports to represent, direct, indirect, current, future or contingent entitlement to receive or share any Income; (c) purports to maintain a stable value or reference to any type or combination of RWA(s) or Income; (d) represents, or purports to represent, entitlement to receive or share any value that is, or purports to be, or in any manner originate from, derived from or backed by (including but not limited to under any securitisation, collateralisation, or guarantee arrangement) any type or combination of RWA or Income; or (e) is a directly or indirectly wrapped, duplicated, fractionalised, securitised or derivative version of any other ARVA.
"ARVA Rules"	means the Asset-Referenced Virtual Assets Issuance Rules in Annex 2 of this VA Issuance Rulebook.
"Broker-Dealer Services"	has the meaning ascribed to it in Schedule 1 of the Regulations.
"Broker-Dealer Services Rulebook"	means the Broker-Dealer Services Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Category 1"	has the meaning ascribed to it in Rule I.C.1 of this VA Issuance Rulebook.
"Category 1 VA Issuance"	means the VA Activity of issuing any Virtual Asset that falls within Category 1.

Term	Definition
"Category 2"	has the meaning ascribed to it in Rule I.C.1 of this VA Issuance Rulebook.
"Company Rulebook"	means the Company Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Compliance and Risk Management Rulebook"	means the Compliance and Risk Management Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Directive"	has the meaning ascribed to it in the Regulations.
"Distributed Ledger Technology" or **"DLT"**	has the meaning ascribed to the term 'Distributed Ledger Technology' in the Dubai VA Law.
"Dubai VA Law"	means *Law No. (4) of 2022 Regulating Virtual Assets in the Emirate of Dubai*, as may be amended from time to time.
"Emirate"	means all zones across the Emirate of Dubai, including Special Development Zones and Free Zones but excluding the Dubai International Financial Centre.
"Exempt VAs"	has the meaning ascribed to it in Rule I.C.1 of this VA Issuance Rulebook.
"Fiat-Referenced Virtual Asset" or **"FRVA"**	means a Virtual Asset that purports to maintain a stable value in relation to the value of one or more fiat currencies, or one or more other FRVA(s), but does not have legal tender status in the UAE, and is not issued for use as a means of payment for goods or services in the UAE. An FRVA is neither issued nor guaranteed by any jurisdiction and fulfils its functions only by use and acceptance within the community of users of the FRVA. For the avoidance of doubt, and as stated in Rule I.B.4 of the FRVA Rules, the issuance of any FRVA that purports to maintain a stable value in relation to the value of AED shall not be approved under this

Term	Definition
	VA Issuance Rulebook or the FRVA Rules, and shall remain under the sole and exclusive regulatory purview of the CBUAE.
"FRVA Rules"	means the Fiat-Referenced Virtual Assets Issuance Rules in Annex 1 of this VA Issuance Rulebook.
"Good Cause"	has the meaning ascribed to it in the Regulations.
"Income"	means sales proceeds, interests, dividends, profits, repayments or any other form of direct, indirect, current, future or contingent value originating or deriving from an RWA.
"Insolvency Proceedings"	has the meaning ascribed to it in the Regulations.
"Insolvent"	has the meaning ascribed to it in the Regulations.
"Issuer"	means the Entity responsible for the issuance of a Virtual Asset.
"Licence"	has the meaning ascribed to it in the Regulations.
"Licensed"	means having a valid Licence.
"Licensed Distribution Services"	has the meaning ascribed to it in the Broker-Dealer Services Rulebook.
"Licensed Distributor"	means a VASP Licensed by VARA to carry out Broker-Dealer Services.
"Market Conduct Rulebook"	means the Market Conduct Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Marketing"	has the meaning ascribed to it in the Marketing Regulations.
"Marketing Regulations"	means the Regulations on the Marketing of Virtual Assets and Related Activities 2024 issued by VARA, as may be amended from time to time.
"Non-Transferable Virtual Asset"	means a Virtual Asset that— (a) is not sold by the Issuer for, and cannot be converted into, exchanged or redeemed for, fiat currency, Virtual Assets or any value in kind;

Term	Definition
	(b) is not redeemable or exchangeable for goods, services, discounts, purchases or otherwise has no market, use, or application; and (c) cannot be transferred between VA Wallets.
"PDPL"	means the *Federal Decree-Law No. (45) of 2021 on the Protection of Personal Data.*
"Personal Data"	has the meaning ascribed to it in the PDPL.
"Redeemable Closed-Loop Virtual Asset"	means a Virtual Asset that can be redeemed or exchanged for goods, services, discounts, or purchases with the Issuer and/or other merchants designated by the Issuer, provided that— (a) the Issuer is the legal owner and/or has validly enforceable legal right to grant all rights of redemption; (b) the Virtual Asset is not sold or exchanged for, and cannot be converted into, exchanged or redeemed for, fiat currency or Virtual Assets; (c) cannot be used or accepted as a means of payment outside of the closed-loop of the Issuer and/or other merchants designated by the Issuer; and (d) cannot be transferred between VA Wallets other than for the purposes of redemption from the Issuer or designated merchants.
"Regulations"	means the Virtual Assets and Related Activities Regulations 2023, as may be amended from time to time.
"Risk Disclosure Statement"	has the meaning ascribed to it in Rule III.C.1 of this VA Issuance Rulebook.
"Rule"	has the meaning ascribed to it in the Regulations.
"RWA"	means, in respect of any Virtual Asset, any type or combination of— (a) interest in any financial instrument, scheme or arrangement;

Term	Definition
	(b) physical and/or tangible asset; or (c) intangible asset, rights or interest, other than— i. the Virtual Asset itself; or ii. items that exist in digital form only.
"Technology and Information Rulebook"	means the Technology and Information Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"UAE"	means the United Arab Emirates.
"VA Activity"	means the activities listed in Schedule 1 of the Regulations, as may be amended from time to time.
"VA Issuance Rulebook"	means this Virtual Asset Issuance Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"VARA"	means the Dubai Virtual Assets Regulatory Authority.
"VA Wallet"	has the meaning ascribed to the term 'Virtual Asset Wallet' in the Dubai VA Law.
"Virtual Asset" or **"VA"**	has the meaning ascribed to it in the Dubai VA Law.
"Whitepaper"	has the meaning ascribed to it in Rule III.B.1 of this VA Issuance Rulebook.
"Working Day"	has the meaning ascribed to it in the Regulations.

ANNEX 1: FIAT-REFERENCED VIRTUAL ASSETS ISSUANCE RULES

Fiat-Referenced Virtual Assets Issuance Rules

[DATE] 2025

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Part I – Approval Requirements

A. Interpretation

1. **"Fiat-Referenced Virtual Asset"** or **"FRVA"** has the meaning ascribed to it in Schedule 2 – Definitions of the VA Issuance Rulebook.
2. As stated in Rule I.B.4 of these FRVA Rules, the issuance of any FRVA that purports to maintain a stable value in relation to the value of AED shall not be approved under these FRVA Rules and shall remain under the sole and exclusive regulatory purview of the CBUAE.
3. FRVAs do not include Virtual Assets which are—
    a. representations of any equity claim;
    b. issued by central banks acting in their monetary authority capacity (e.g. CBDCs); or
    c. tokenised bank deposits used only for interbank settlement purposes.
4. **"Reference Currency"** means, in relation to a FRVA, a VARA-approved fiat currency—
    a. the value of which an FRVA purports to maintain a stable reference to;
    b. which is controlled by a central bank of any country(ies) or territory(ies) which are not subject to any sanctions in accordance with Federal AML-CFT Laws;
    c. which has the status of legal tender; and
    d. which is required to be accepted within a given jurisdiction.
5. **"Reserve Assets"** means, for the purposes of these FRVA Rules, the pool of assets maintained in accordance with Rule III.B of these FRVA Rules and as approved by VARA. Reserve Assets are not Client Money or Client VAs, as defined in the Compliance and Risk Management Rulebook.

B. General requirements for VARA approval

1. As stated in Rule I.C.1 of the VA Issuance Rulebook, the issuance of an FRVA is a Category 1 VA Issuance and as such is a VA Activity. In addition to compliance with these FRVA Rules, and all other Regulations, Rules and Directives as communicated by VARA in its Licence or otherwise from time to time, all Entities seeking to carry out the issuance of an FRVA will be required to comply with the following Rulebooks—
    a. Company Rulebook;
    b. Compliance and Risk Management Rulebook;

c. Technology and Information Rulebook;

d. Market Conduct Rulebook; and

e. VA Issuance Rulebook.

2. Approval of each FVRA. All VASPs Licensed by VARA to carry out Category 1 VA Issuance must obtain approval from VARA prior to issuing each Fiat-Referenced Virtual Asset.

3. Approval conditions. VARA may, in its sole and absolute discretion, impose conditions on any approvals granted for the issuance of an FRVA by a VASP including, but not limited to—

a. segregation of the VASP's business or operations in relation to VA issuances and any other VA Activities (or other businesses and activities, if applicable) by implementing and strictly enforcing policies and procedures;

b. provision of further information to demonstrate the VASP's ability to comply with any Regulation, Rule or Directive; and/or

c. any additions or modifications to requirements set out in any Regulation, Rule and/or Directive.

4. AED as Reference Currency. In addition to Regulation III.A.4, the issuance of any Virtual Asset that purports to maintain a stable value in relation to the value of AED shall remain under the sole and exclusive regulatory purview of the CBUAE. Entities seeking to issue any such Virtual Asset in the Emirate must comply with any applicable CBUAE regulation.

5. Use of FRVAs in VA ecosystem only. FRVAs issued under these FRVA Rules may only be used for the purchase and/or sale of assets in the VA ecosystem and may not be used as a means of payment for goods or services within the UAE.

6. Currencies of sanctioned countries or territories. VASPs may not have as a Reference Currency any currency issued by any country(ies) or territory(ies) which are subject to sanctions under Federal AML-CFT Laws.

C. Significant FRVA Issuers

1. VARA may, in its sole and absolute discretion, designate any VASP Licensed to issue an FRVA as a Significant FRVA Issuer at the time of granting a Licence or anytime thereafter.

2. In designating a VASP as a Significant FRVA Issuer, VARA may consider all factors relevant to the VASP and/or the FRVA issued by the VASP, including but not limited to—

a. the number of holders of the FRVA;

b. the value of circulating and/or outstanding supply of the FRVA;

c. the value of the Reserve Assets maintained by the VASP;

d. the number and value of transactions in the FRVA;

e. whether the VASP and/or its affiliates carry out any other VA Activity(ies) and/or financial services in the Emirate, or provide services similar to VA Activities and/or financial services in other jurisdictions;

f. interconnectedness with licensed financial institutions and/or VASPs; and/or

g. the business, structural and operational complexity of the VASP in relation to the FRVA issued by it.

3. VARA may, in its sole and absolute discretion, impose any Rules on a Significant FRVA Issuer in addition to those contained in the Rulebooks, which may include, but not be limited to, additional Rules on—

a. company structure and corporate governance;

b. Paid-Up Capital, Net Liquid Assets, Insurance and/or Reserve Assets;

c. audits, regulatory reporting and regulatory notifications; and/or

d. any other matter as VARA deems appropriate.

Part II – Additional Disclosures

A. Additional Whitepaper disclosures

1. In addition to all other disclosures required in Rule III.A of the VA Issuance Rulebook, VASPs Licensed to issue FRVAs must include the following in the Whitepaper—

   a. the type(s) and composition of Reference Currency(ies);

   b. whether the type(s) and composition of Reference Currency(ies) may change and, if so, the circumstances in which any such changes may take place and the consequential effect of such changes;

   c. a clear and detailed policy on the creation and redemption of FRVAs in circulation and the consequence of such creation or redemption on the increase and decrease of the Reserve Assets;

   d. the type(s) and composition of Reserve Asset(s), and methodology for valuing such Reserve Assets;

   e. criteria for how Reserve Asset(s) are or will be identified;

   f. the custody arrangement of the Reserve Assets including, but not limited to, the custodian(s) involved and how the VASP Licensed to issue FRVAs ensures it has timely access to Reserve Assets to process redemption requests in compliance with Rule III.C of these FRVA Rules;

   g. a detailed description of how Reserve Assets are maintained, with reference to the requirements in Rule III.B of these FRVA Rules;

   h. a detailed description of how they will comply with Rules relating to the handling of redemption requests in Rule III.C of these FRVA Rules, and all relevant risks which may affect their compliance;

   i. the procedures and timeline for holders of FRVAs to redeem such FRVAs at par;

   j. prominently state whether having a valid Client Agreement with the VASP Issuer is a condition for redemption of the FRVA directly from the VASP Issuer;

   k. detailed assessments of risks relevant to the management, custody, investment and/or liquidation of the Reserve Assets, including, but not limited to, credit risk, market risk

and liquidity risk, and policies and procedures to manage such risks for the purpose of processing redemption requests; and

l. any other relevant information as may be determined by VARA.

B. Additional ongoing disclosures

1. VASPs Licensed to issue FRVAs shall at least every month and in a clear, accurate and transparent manner disclose on their website the following information regarding whether an FRVA is at least one hundred percent (100%) backed by Reserve Assets—

   a. the number and value of FRVAs in circulation; and

   b. the value and composition of the Reserve Assets,

   as independently audited in accordance with Rule III.D.1 of these FRVA Rules.

2. Disclosures in accordance with Rule II.B.1 of these FRVA Rules shall be accompanied by a statement confirming whether the FRVA is, for the period covered and at the time of the disclosure, at least one hundred percent (100%) backed by Reserve Assets in accordance with independent audit requirements in Rule III.D.1 of these FRVA Rules.

3. VASPs Licensed to issue FRVAs shall as soon as possible and in a clear, accurate and transparent manner disclose on their website any event that has or is likely to have a significant effect, directly or indirectly, on the market value of the FRVAs.

Part III – Additional Compliance Obligations of FRVA Issuers

A. Maintenance of stable backing

1. VASPs Licensed to issue FRVAs shall ensure that—
   a. any increase in the circulating supply of the FRVA is always matched by a corresponding increase in the Reserve Assets; and
   b. any decrease in the circulating supply of the FRVA is always matched by a corresponding decrease in the Reserve Assets.
2. VASPs Licensed to issue FRVAs shall ensure that any increase or decrease in the Reserve Assets required under Rule III.A.1 of these FRVA Rules is responsibly managed to avoid any adverse market impact in relation to the Reserve Assets.
3. VASPs Licensed to issue FRVAs shall, regardless of whether any third party(ies) are involved in the creation or redemption of the FRVA, comply with Rule III.A.2 of these FRVA Rules at all times.

B. Reserve Assets

1. VASPs Licensed to issue FRVAs shall, at all times, hold and maintain sufficient Reserve Assets such that the FRVA is at least one hundred percent (100%) backed by Reserve Assets.
2. VASPs Licensed to issue FRVAs shall only hold Reserve Assets denominated in the Reference Currency(ies) in—
   a. cash or cash equivalents (including, but not limited to, central bank reserve deposits, bank deposits and CBDCs); or
   b. highly liquid financial instruments with minimal market risk, credit risk and concentration risk, which are capable of being liquidated rapidly with minimal adverse market impact, including the following—
      a. debt securities with residual maturity of ninety (90) days or less, issued by—
         i. governments or central banks of the Reference Currency; or
         ii. government agencies (local or international);
      b. repurchase agreements with a maturity of seven (7) days or less which are backed by (i) above; and

c. short-term government money market funds.

3. VASPs Licensed to issue FRVAs shall, at all times, manage Reserve Assets effectively and prudently, at least by—

a. maintaining Reserve Assets only with financial services firms (as agreed with VARA during the licensing process)—

i. appropriately and validly licensed and authorised to hold the specific type of Reserve Assets;

ii. having regard to counterparty risk and/or exposure in the event of failure or each financial services firm becoming Insolvent; and

iii. segregated from their own funds;

b. ensuring newly added Reserve Assets are held in accordance with their custody arrangements;

c. putting in place policies and procedures to ensure Reserve Assets can be promptly accessed and converted into the Reference Currency(ies) at all times, for the purpose of processing and completing any redemption requests in accordance with Rule III.C of these FRVA Rules; and

d. conducting regular risk assessments to evaluate the appropriateness of the composition of Reserve Assets (including, but not limited to, whether there is sufficient diversification in the types of Reserve Assets held) in ensuring compliance with Rule III.B.1 of these FRVA Rules.

4. VASPs Licensed to issue FRVAs shall, to the furthest extent permitted by applicable laws, hold Reserve Assets of an FRVA in such a manner that—

a. such Reserve Assets are legally segregated and remote from their own assets (including, but not limited to, any assets held in relation to other FRVAs) and do not form a part of their estate;

b. they would not be prevented or hindered from processing any redemption requests in accordance with Rule III.C of these FRVA Rules, at all times (including, but not limited to, ensuring such Reserve Assets are not rehypothecated, or subject to any pledges, encumbrances, right of set-off or counterclaim);

c. will not otherwise be subject to any recourse by their creditors, the custodian of the Reserve Assets or any other third parties, in particular in the event that they become Insolvent; and

d. VARA has the ability to direct the control, liquidation and distribution of all such Reserve Assets for the purposes of fulfilling its regulatory obligations.

5. VASPs Licensed to issue FRVAs shall work with VARA to structure agreements with financial services firms to ensure VARA has priority access to Reserve Assets, to the furthest extent permitted by applicable laws, for the purposes of VARA fulling its regulatory obligations.

6. Conflicts of interest. In addition to all requirements relating to the avoidance and management of conflicts of interest in the Company Rulebook, VASPs Licensed to issue FRVAs shall take all appropriate steps, to the extent practicable, to prevent and, in any event identify, manage and publicly disclose conflicts of interest arising from the constitution and management of Reserve Assets.

7. Reserve Assets held with financial services firms, including but not limited to those regulated by the CBUAE, may be subject to prevailing reporting obligations incremental to those applicable under this Rulebook.

C. Redemptions

1. VASPs Licensed to issue FRVAs shall, at all times, ensure holders of the FRVA have the valid legally enforceable right to redeem the FRVA at par.

2. VASPs Licensed to issue FRVAs must ensure all requests made by holders, with valid Client Agreements with the VASP Issuer, to redeem the FRVA at par are, at all times, processed and completed—

a. within one (1) Working Day of any such requests; or

b. if the trading and/or settlement of the Reserve Assets are subject to significant disruption events beyond the control of a VASP Licensed to issue FRVAs, within one (1) Working Day of the trading and/or settlement of Reserve Assets no longer being significantly impacted by such disruption events.

3. VASPs Licensed to issue FRVAs shall process and complete redemption requests without charging any fees.

4. VASPs Licensed to issue FRVAs shall establish, maintain and implement clear and detailed policies and procedures to ensure compliance with this Rule III.C of these FRVA Rules.

D. Audits and reporting

1. In addition to all requirements relating to audits and reporting in the Compliance and Risk Management Rulebook, VASPs Licensed to issue FRVAs shall, on a monthly basis, commission an independent audit of the following information regarding whether an FRVA is one hundred percent (100%) backed by Reserve Assets—
   a. the number and value of FRVAs in circulation; and
   b. the composition and value of Reserve Assets.
2. The Senior Management of a VASP Licensed to issue FRVAs shall, as soon as practicable upon its completion, submit to VARA an attestation as to the accuracy of each independent audit in accordance with Rule III.D.1 of these FRVA Rules.

E. Marketing

1. No Entity may, in the Marketing of any FRVA in the Emirate, include language suggesting that the value of an FRVA is maintained stable relative to its Reference Currency(ies), unless—
   a. it has a Licence to issue the FRVA and such Licence has not been revoked; and
   b. the FRVA was issued and is maintained in accordance with these FRVA Rules.
2. VASPs Licensed to issue FRVAs shall, in all Marketing, include clear and unambiguous statements that—
   a. the holders of the FRVA have the right to redeem the FRVA at par, and whether such right is directly enforceable against the VASP Issuer; and
   b. such FRVAs are not covered by any investor protection or deposit guarantee schemes.

F. Capital requirements

1. VASPs Licensed to issue FRVAs shall always maintain Paid-Up Capital equal to the total of—
   a. AED 1,500,000; and
   b. two percent (2%) of the value of available supply of the FRVA.

Schedule 1 – Definitions

Term	Definition
"Category 1 VA Issuance"	has the meaning ascribed to it in the VA Issuance Rulebook.
"CBDC"	has the meaning ascribed to it in the Regulations.
"CBUAE"	means the Central Bank of the United Arab Emirates.
"Client Agreements"	has the meaning ascribed to it in the Market Conduct Rulebook.
"Client Money"	has the meaning ascribed to it in the Compliance and Risk Management Rulebook.
"Client VA"	has the meaning ascribed to it in the Compliance and Risk Management Rulebook.
"Company Rulebook"	means the Company Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Compliance and Management Rulebook"	means the Compliance and Risk Management Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Directive"	has the meaning ascribed to it in the Regulations.
"Dubai VA Law"	means *Dubai Law No. (4) of 2022 Regulating Virtual Assets in the Emirate of Dubai*, as may be amended from time to time.
"Emirate"	means all zones across the Emirate of Dubai, including Special Development Zones and Free Zones but excluding the Dubai International Financial Centre.
"Entity"	means any legal entity or individual.
"Federal AML-CFT Laws"	has the meaning ascribed to it in the Regulations.
"Fiat-Referenced Virtual Asset" or **"FRVA"**	has the meaning ascribed to it in Schedule 2 – Definitions of the VA Issuance Rulebook.
"FRVA Rules"	means these Fiat-Referenced Virtual Assets Issuance Rules issued by VARA pursuant to the Regulations, as may be amended from time to time.

Term	Definition
"Group"	has the meaning ascribed to it in the Company Rulebook.
"Insolvency Proceedings"	has the meaning ascribed to it in the Regulations.
"Insolvent"	has the meaning ascribed to it in the Regulations.
"Insurance"	has the meaning ascribed to it in the Company Rulebook.
"Market Conduct Rulebook"	means the Market Conduct Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Marketing"	has the meaning ascribed to it in the Marketing Regulations.
"Marketing Regulations"	has the meaning ascribed to it in the VA Issuance Rulebook.
"Net Liquid Assets"	has the meaning ascribed to it in the Company Rulebook.
"Paid-Up Capital"	has the meaning ascribed to it in the Company Rulebook.
"Reference Currency"	has the meaning ascribed to it in Rule I.A.4 of these FRVA Rules.
"Regulations"	means the Virtual Assets and Related Activities Regulations 2023, as may be amended or supplemented by VARA from time to time.
"Reserve Assets"	has the meaning ascribed to it in Rule I.A.5 of these FRVA Rules.
"Senior Management"	has the meaning ascribed to it in the Company Rulebook.
"Significant FRVA Issuer"	means a VASP designated by VARA in accordance with Rule I.C.1 of these FRVA Rules.
"Technology and Information Rulebook"	means the Technology and Information Rulebook issued by VARA pursuant to the Regulations, as may be amended VARA from time to time.
"VA Issuance Rulebook"	means the Virtual Asset Issuance Rulebook issued by VARA pursuant to the Regulations, as may be amended or supplemented by VARA from time to time.
"VARA"	means the Dubai Virtual Assets Regulatory Authority.
"Virtual Asset" or **"VA"**	has the meaning ascribed to it in the Dubai VA Law.
"Whitepaper"	has the meaning ascribed to it in the VA Issuance Rulebook.
"Working Day"	has the meaning ascribed to it in the Regulations.

ANNEX 2: ASSET-REFERENCED VIRTUAL ASSETS ISSUANCE RULES

Asset-Referenced Virtual Assets Issuance Rules

[DATE] 2025

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Part I – Approval Requirements

A. Interpretation

1. "**Asset-Referenced Virtual Assets**" or "**ARVAs**" has the meaning ascribed to it in Schedule 2 – Definitions of the VA Issuance Rulebook.
2. "**Income**" has the meaning ascribed to it in Schedule 2 – Definitions of the VA Issuance Rulebook.
3. "**Reference Assets**" means, in relation to an ARVA, the RWA and/or Income the ARVA represents or purports to represent, as approved by VARA.
4. "**Reserve Assets**" means, for the purposes of these ARVA Rules, the asset or assets maintained in accordance with Rule III.C of these ARVA Rules and as approved by VARA. Reserve Assets are not Client Money or Client VAs, as defined in the Compliance and Risk Management Rulebook.
5. "**RWA**" has the meaning ascribed to it in Schedule 2 – Definitions of the VA Issuance Rulebook.

B. General requirements for VARA approval

1. As stated in Rule I.C.1 of the VA Issuance Rulebook, the issuance of an ARVA is a Category 1 VA Issuance and as such is a VA Activity. In addition to compliance with these ARVA Rules, and all other Regulations, Rules and Directives as communicated by VARA in its Licence or otherwise from time to time, all Entities in the Emirate seeking to issue an ARVA will be required to comply with the following Rulebooks—
    a. Company Rulebook;
    b. Compliance and Risk Management Rulebook;
    c. Technology and Information Rulebook;
    d. Market Conduct Rulebook; and
    e. VA Issuance Rulebook.
2. Approval of each ARVA. All VASPs Licensed by VARA to carry out Category 1 VA Issuance must obtain approval from VARA prior to issuing each ARVA.
3. Approval conditions. VARA may, in its sole and absolute discretion, impose conditions on any approvals granted for the issuance of an ARVA by a VASP, including, but not limited to—

a. segregation of the VASP's business or operations in relation to VA issuances and any other VA Activities (or other businesses and activities, if applicable) by implementing and strictly enforcing policies and procedures;

b. obtaining and maintaining all necessary regulatory approvals and licences for activities involving the RWA and/or Reserve Assets, which must be carried out for the normal functioning of the ARVA, or otherwise provide further information to demonstrate ongoing compliance with all applicable laws and regulations;

c. provision of further information to demonstrate the VASP's ability to comply with any Regulation, Rule or Directive; and/or

d. any additions or modifications to requirements set out in any Regulation, Rule and/or Directive.

4. Applicable Rules. On receiving approval to issue an ARVA by VARA, a VASP will be required to comply with all Rules or requirements that VARA may impose on the VASP as a condition and ongoing requirement for any approval. VARA may impose Rules in addition to, or disapply any of, the Rules in these ARVA Rules depending on the considerations which it deems relevant to the nature of the ARVA being issued and/or the VASP. Any additional Rules imposed on a VASP may be requirements equivalent or similar to those contained in the Regulations, Rulebooks or Directives.

C. Significant ARVA Issuers

1. VARA may, in its sole and absolute discretion, designate any VASP Licensed to issue an ARVA as a Significant ARVA Issuer at the time of granting a Licence or anytime thereafter.

2. In designating a VASP as a Significant ARVA Issuer, VARA may consider all factors relevant to the VASP and/or the ARVA issued by the VASP, including but not limited to—

a. the number of owners and/or holders of the ARVA;

b. the value of circulating and/or outstanding supply of the ARVA;

c. the value of the Reserve Assets maintained by the VASP;

d. the number and value of transactions in the ARVA;

e. whether the VASP and/or its affiliates carry out any other VA Activity(ies) and/or financial services in the Emirate, or provide services similar to VA Activities and/or financial services in other jurisdictions;

f. interconnectedness with licensed financial institutions and/or VASPs; and/or

g. the business, structural and operational complexity of the VASP in relation to the ARVA issued by it.

3. VARA may, in its sole and absolute discretion, impose any Rules on a Significant ARVA Issuer in addition to those contained in the Rulebooks, which may include, but not be limited to, additional Rules on—

a. company structure and corporate governance;

b. Paid-Up Capital, Net Liquid Assets, Insurance and/or Reserve Assets;

c. audits, regulatory reporting and regulatory notifications; and/or

d. any other matter as VARA deems appropriate.

Part II – Additional Disclosures

A. Additional Whitepaper disclosures

1. In addition to all other disclosures required in the Part III of the VA Issuance Rulebook, VASPs Licensed to issue ARVAs must include the following in the Whitepaper—

   a. a clear and accurate description of the rights and/or value that the ARVA grants, or purports to grant, owners and/or holders of the ARVA and a clear and detailed policy on how the VASP ensures the ARVA derives and maintains its value;

   b. the types and composition of Reference Assets, and criteria for how such Reference Assets were identified;

   c. whether the types of Reference Asset will change and, if so, the circumstances in which any such changes may take place;

   d. whether the ARVA represents, or purports to represent, a direct right of ownership of the Reference Assets, or a fractional proportion thereof, and if so, a detailed description of how the right of ownership is established and/or such fractionalisation is structured;

   e. if transactions in the Reference Assets are subject to legal or regulatory requirements relating to their settlement and/or transfer of title, a detailed description of how such requirements will be met and an explanation of how the VASP will respond to transactions in the ARVA not resulting in corresponding transactions in the Reference Asset being legally settled, completed and/or transferred, and any mitigation employed by the VASP to address such risks;

   f. whether the ARVA maintains, or purports to maintain, a stable reference to the value of the Reference Assets, and if so, a detailed description of how such stable reference is maintained and the weighting of each type of Reference Asset in the unit value of the ARVA;

   g. whether the VASP will maintain Reserve Assets in respect of the ARVA;

   h. the types and composition of Reserve Assets (if applicable), and criteria for how such Reserve Assets were identified;

i. whether the types of Reserve Asset may be subject to change and, if so, the circumstances in which any such changes may take place, including a detailed description of the VASP's investment policy for the Reserve Assets (if applicable);

j. a clear and detailed policy on the procedure for the creation and destruction of the ARVAs in public circulation and the consequence of such creation or destruction on the increase and decrease of the Reserve Assets (if applicable);

k. full details of the rights of owners and/or holders of the ARVA to redeem the value of the ARVA, including but not limited to the requirements under Rule III.E and the procedures and timeline for owners and/or holders of the ARVA to redeem such value;

l. the custody arrangement of the Reference Asset and/or Reserve Assets, including but not limited to, the custodians involved and how the VASP ensures it has timely access to Reserve Assets to process redemption requests;

m. detailed assessments of risks relevant to the management, custody, investment and/or liquidation of the Reference Asset and/or Reserve Assets, including but not limited to, credit risk, market risk, counterparty risk and liquidity risk, and policies and procedures to manage such risks for the purpose of processing redemption requests; and

n. any other relevant information as may be determined by VARA.

B. Additional ongoing disclosures

1. VASPs Licensed to issue ARVAs shall at least monthly, and in a clear, accurate and transparent manner disclose on their website—

   a. the number and value of ARVAs in public circulation; and

   b. the value and composition of the Reserve Assets (if applicable).

2. Disclosures in accordance with Rule III.B shall be accompanied by a statement confirming whether or not the ARVA is, at the time of the disclosure, fully backed by sufficient Reserve Assets in accordance with Rule III.C.1.

Part III – Additional Compliance Obligations of ARVA Issuers

A. Value of an Asset-Referenced Virtual Asset

1. All Entities seeking to issue an ARVA shall clearly demonstrate to VARA—
   a. the rights and/or value that the ARVA grants, or purports to grant, to the owners and/or holders of the ARVA; and
   b. a clear and detailed policy on how the Entity will ensure the ARVA derives and maintains its value.
2. Reference Asset. All Entities seeking to issue an ARVA shall clearly demonstrate to VARA the type and composition of Reference Assets and whether the Reference Asset may change and, if so, the circumstances in which any such changes may take place.

B. Direct right of ownership

1. All VASPs Licensed to issue an ARVA which represents, or purports to represent, a direct right of ownership of the Reference Asset, or a fractional proportion thereof, shall ensure—
   a. the right of ownership is legally and validly established and that such right of ownership is transferred in the event of a transfer of ownership of the ARVA;
   b. where transactions in the Reference Assets are subject to legal or regulatory requirements relating to their settlement, completion and/or transfer of title, that such legal or regulatory requirements are satisfied, in order to give effect to the transfer of ownership in the event of a transfer of ownership of the ARVA; and
   c. that the VASP will respond to transactions in the ARVA not resulting in a corresponding transaction in the Reference Asset being legally settled, completed and/or transferred, and shall implement mitigating measures to ensure all transactions in the ARVA result in a corresponding transaction in the Reference Asset being legally settled, completed and/or transferred.
2. Legal opinion. VASPs Licensed to issue ARVAs may be required to provide VARA with a legal opinion, provided by a professional and duly registered lawyer, confirming any explanation made either to VARA or any information contained in a Whitepaper.

C. Reserve Assets

1. VASPs Licensed to issue ARVAs which purport to maintain a stable value in respect of any Referenced Asset, shall hold and maintain sufficient and acceptable Reserve Assets such that—
   a. the risks associated with the rights and/or to the value that the ARVA grants, or purports to grant, owners of the ARVA are secured; and
   b. the liquidity risks associated with any rights of redemption granted to the owners and/or holders are mitigated and managed.
2. VASPs Licensed to issue ARVAs shall, at all times, manage Reserve Assets effectively and prudently, at least by—
   a. maintaining Reserve Assets only with custodians or other Entities which are validly licensed and qualified to hold such assets;
   b. ensuring Reserve Assets are segregated from the VASP's own funds;
   c. ensuring newly added Reserve Assets are held in custody in accordance with Rule III.C.2.a by no later than the time period stipulated by VARA as a condition of its approval of the VASP to issue the ARVA;
   d. having in place policies and procedures to ensure Reserve Assets can be promptly accessed to process and complete any redemption requests in accordance with Rule III.E, including but not limited to conversion into AED where the redemptions are being paid in AED; and
   e. conducting regular risk assessments to evaluate the appropriateness of the composition of Reserve Assets in ensuring compliance with this Rule III.C .
3. VASPs Licensed to issue ARVAs shall, to the furthest extent permitted by applicable laws, ensure that Reserve Assets—
   a. are legally segregated from its estate and the Reserve Assets of any other Virtual Assets;
   b. are not rehypothecated, or subject to any pledges or encumbrances which would prevent the Issuer from processing any redemption request in accordance with Rule III.E; and
   c. will not otherwise be subject to any recourse by the creditors of the VASP, the custodian of the Reserve Assets or any other third parties, in particular, in the event of any party becoming Insolvent.

4. Legal opinion. VASPs Licensed to issue ARVAs shall be required to provide VARA with a legal opinion, provided by a duly registered practising lawyer, confirming compliance with Rule III.C.3 above.
5. Conflicts of interest. VASPs Licensed to issue ARVAs shall take all appropriate steps to prevent, identify, manage and publicly disclose conflicts of interest arising from the constitution and management of Reserve Assets.

D. Audits and reporting

1. For the purposes of complying with this Rule III.D, VASPs Licensed to issue ARVAs shall appoint an independent third-party auditor and promptly notify VARA of the full name and contact details of the auditor upon appointment.
2. VASPs Licensed to issue ARVAs shall—
    a. every six (6) months, commission an independent audit of—
        a. the number and value of the ARVAs in public circulation;
        b. the composition and value of the Reserve Assets, if applicable; and
    b. commission an independent audit of their financial statements to produce an annual report, which shall be promptly made available to VARA upon request.
3. The Senior Management of the VASP Licensed to issue ARVAs shall, as soon as practicable upon its completion, submit to VARA an attestation as to the accuracy of each independent audit in accordance with Rule III.D of these ARVA Rules.

E. Redemptions

1. To the extent an ARVA provides owners and/or holders with a right of redemption, the VASP Licensed to issue the ARVA shall, at all times, ensure owners and/or holders of the ARVA have the right to redeem the ARVA for an equal value denominated in—
    a. AED; and
    b. other forms as may be determined by the VASP and disclosed in the Whitepaper.
2. To the extent an ARVA provides owners and/or holders with a right of redemption, the VASP Licensed to issue the ARVA shall, at all times, ensure owners and/or holders of the ARVA have the right to redeem the ARVA—

a. against the VASP; or

b. otherwise in respect of the Reserve Assets in the event that the VASP is unable to process and complete redemption requests.

3. VASPs Licensed to issue ARVAs must ensure all requests made by owners and/or holders to redeem such ARVAs for an equal value of RWAs shall be processed and completed within a reasonable period of such requests being made, provided the owner and/or holder, or their designee, has successfully onboarded with the VASP and any other conditions necessary to permit redemption in compliance with all applicable laws, Regulations, Rules and Directives have been met.

4. VASPs Licensed to issue ARVAs shall process and complete redemption requests without charging any fees.

5. VASPs Licensed to issue ARVAs shall establish, maintain and implement clear and detailed policies and procedures to ensure compliance with this Rule III.E.

F. Marketing

1. No Entity may, in the Marketing of any Virtual Asset in the Emirate, use the term 'stablecoin' or include language suggesting that the value of a Virtual Asset is maintained stable relative to a particular RWA, unless—

a. it is a VASP Licensed by VARA to issue ARVAs and has received VARA's approval to issue the ARVA and such approval has not been revoked;

b. such ARVA purports to maintain a stable reference to the value of one RWA only; and

c. the VASP maintains Reserve Assets in accordance with Rule III.C of these ARVA Rules.

2. VASPs Licensed to issue ARVAs shall, in all Marketing relating to any ARVA, include clear and unambiguous statements that such ARVA is not covered by any investor protection or deposit guarantee schemes.

G. Capital requirements

1. VASPs Licensed to issue ARVAs shall always maintain Paid-Up Capital equal to the value of at least the higher of—

a. AED 1,500,000; and

b. 2% of the average market value of the Reserve Assets (where applicable) calculated over the preceding twenty-four (24) months.

Schedule 2 – Definitions

Term	Definition
"Asset-Referenced Virtual Asset" or **"ARVA"**	has the meaning ascribed to it in Schedule 2 – Definitions of the VA Issuance Rulebook.
"ARVA Rules"	means these Asset-Referenced Virtual Assets Issuance Rules issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Category 1 VA Issuance"	has the meaning ascribed to it in the VA Issuance Rulebook.
"Client Money"	has the meaning ascribed to it in the Compliance and Risk Management Rulebook.
"Client VA"	has the meaning ascribed to it in the Compliance and Risk Management Rulebook.
"Directive"	has the meaning ascribed to it in the Regulations.
"Dubai VA Law"	means *Dubai Law No. (4) of 2022 Regulating Virtual Assets in the Emirate of Dubai*, as may be amended from time to time.
"Emirate"	means all zones across the Emirate of Dubai, including Special Development Zones and Free Zones but excluding the Dubai International Financial Centre.
"Entity"	means any legal entity or individual.
"Insolvency Proceedings"	has the meaning ascribed to it in the Regulations.
"Insolvent"	has the meaning ascribed to it in the Regulations.
"Issuer"	means the Entity responsible for the issuance of a Virtual Asset.
"Marketing"	has the meaning ascribed to it in the Marketing Regulations.

Term	Definition
"Marketing Regulations"	means the *Regulations on the Marketing of Virtual Assets and Related Activities 2024*, issued by VARA and as may be amended or superseded from time to time.
"Regulations"	means the Virtual Assets and Related Activities Regulations 2023, as may be amended from time to time.
"Reference Assets"	has the meaning ascribed to it in Rule III.A.3 of these ARVA Rules.
"Reserve Assets"	has the meaning ascribed to it in Rule III.A.4. of these ARVA Rules.
"Senior Management"	means the executive management of an Entity responsible and accountable to the Board for the sound and prudent day-to-day management of the Entity, generally including but not limited to, the chief executive officer, chief financial officer, chief risk officer, and heads of the compliance and internal audit functions, or as equivalent roles may be titled.
"Significant ARVA Issuer"	means a VASP designated by VARA in accordance with Rule III.C.1 of these ARVA Rules.
"VA Issuance Rulebook"	means the Virtual Asset Issuance Rulebook issued by VARA pursuant to the Regulations, as may be amended or supplemented by VARA from time to time.
"VARA"	means the Dubai Virtual Assets Regulatory Authority.
"Virtual Asset" or **"VA"**	has the meaning ascribed to it in the Dubai VA Law.
"Whitepaper"	has the meaning ascribed to it in Rule III.A,1 of the VA Issuance Rulebook.