

Application Guidelines for Virtual Asset Activity Licenses

We're here to help at every step,
to make your experience easy
and straightforward.

INTRODUCTION

These guidelines have been established to clarify the process of incorporating a FZCO, FZE, or a Branch of a licensed UAE company for conducting Virtual Asset (VA) Activities in the DWTC Free Zone.

All applicants must fulfil the requirement of obtaining a Virtual Asset Service Providers (VASP) License from the Virtual Assets Regulatory Authority (VARA), in combination with an Operational License from DWTC Authority, to ensure compliance with regulatory standards.

Once the necessary licenses have been successfully acquired, applicants will be subject to regulations from DWTC Authority and other relevant UAE authorities.

While DWTC Authority extends valuable guidance on the Dubai Virtual Asset Framework, it should be noted that any guidance or decisions made by VARA fall outside of our purview of responsibility and liability.

APPLICATION PROCESS

Applicants can establish their company/entity with DWTC Authority to conduct Virtual Asset activities by following the steps below.

1

SUBMIT AN ONLINE APPLICATION

- The applicant must include all documents requested by DWTC Authority.
- More documents / further information may be requested based on DWTC Authority's due diligence.

2

SECURE DWTC AUTHORITY INITIAL APPROVAL

- The applicant must submit a completed Initial Approval VASP Questionnaire (VARA form) and obtain a pre-approval from VARA.
- The applicant needs to pay the DWTC Authority fee.

3

SIGN THE CORPORATE DOCUMENTS

- The Applicant must sign the Memorandum and Articles of Association with the required capital set by the DWTC Authority.

4

SUBMIT OFFICE LEASE

- The Applicant must provide a copy of the lease agreement of a private physical office, evidencing details of the premises leased to be used as the applicant's registered office within the free zone.

5

OBTAIN A NON-OPERATIONAL VIRTUAL ASSETS LICENSE

- After completing the mandatory requirements, DWTC Authority will issue a Non-Operational Virtual Asset License to the applicant.

6

OPERATIONAL LICENSE ISSUANCE

- The applicant must get VASP License/Exemption from VARA to conduct Virtual Assets activities.
- DWTC Authority issues an Operational License.

Note: If the applicant does not obtain the VASP License from VARA within the one-year validity of the Non-Operational License issued by DWTC Authority, the non-operational license will not be renewed – this is inclusive of visas and establishment cards, if applicable. Any fee or costs paid to DWTC Authority will be forfeited by the applicant.

APPLICATION REQUIREMENTS

The applicant needs to provide all documents outlined on the DWTC Authority portal, along with any additional documents or information that may be requested by DWTC Authority thereafter. More information can be found on the links below:

<https://media.dwtc.com/setting-up-a-free-zone-company.pdf>

<https://media.dwtc.com/setting-up-a-free-zone-establishment.pdf>

<https://media.dwtc.com/setting-up-a-uae-branch.pdf>

ADDING OR REMOVING A VIRTUAL ASSET ACTIVITY

A duly regulated Free Zone Company (FZCO) or Free Zone Establishment (FZE) with a VASP License may seek to add or remove a Virtual Asset Activity following the steps below:

1

ADD AN ACTIVITY/ REMOVE AN ACTIVITY

- The applicant must apply directly to DWTC Authority (online application).
- The application will be assessed by the relevant regulatory body.
- More documents / further information may be requested based on DWTC Authority's due diligence.

2

SECURE AN APPROVAL

- The Applicant needs to confirm the proposal online and pay the DWTC Authority fee.

3

OBTAIN AN UPDATED OPERATIONAL LICENSE

- DWTC Authority issues an updated Virtual Asset License with the requested activity added or removed.

ANNEXURE

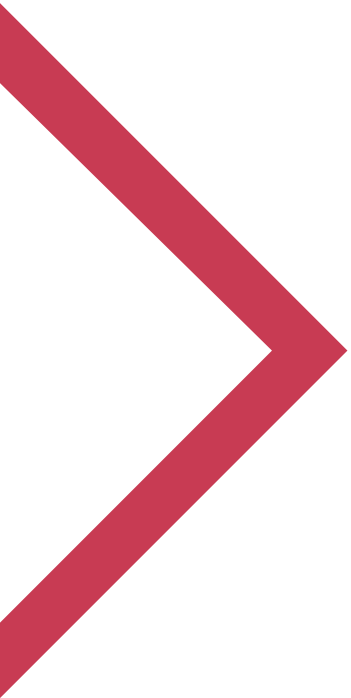
VIRTUAL ASSETS (VA) ACTIVITIES

VA Activity	Definition
VA Advisory Services	Means offering, providing or agreeing to provide a personal recommendation to a client, either upon its request, or on the initiative of the Entity providing the recommendation, in respect of one or more actions or transactions relating to any Virtual Assets.
VA Broker-Dealer Services	Means any of the following: A. arranging orders for the purchase and sale of Virtual Assets between two Entities; B. soliciting or accepting orders for Virtual Assets and accepting fiat currency, or other Virtual Assets, for such orders; C. facilitating the matching of transactions in Virtual Assets between buyers and sellers; D. entering into Virtual Asset transactions as a dealer on behalf of the Entity for its own account; E. making a market in Virtual Assets using client assets; or F. providing placement, distribution or other issuance* related services to clients issuing Virtual Assets. *As per Regulation II, any Entity in the Emirate that issues a Virtual Asset in the course of a business, must comply with the VA Issuance Rulebook, as may be amended from time to time.
VA Custody Services	Means safekeeping Virtual Assets for or on behalf of another Entity and acting only on verified instructions from or on behalf of such Entity*. *All VASPs shall be subject to Rules regarding the storage and custody of client’s Virtual Assets. Only VASPs which segregate each client’s assets in separate VA Wallets will qualify for a Custody Services License.

<p>VA Exchange Services</p>	<p>Means any of the following:</p> <p>A. conducting an exchange, trade or conversion between Virtual Assets and fiat currency.</p> <p>B. conducting an exchange, trade or conversion between one or more Virtual Assets.</p> <p>C. matching orders between buyers and sellers and conducting an exchange, trade or conversion between [i] Virtual Assets and fiat currency or [ii] one or more Virtual Assets.</p> <p>D. maintaining an order book in furtherance of [a], [b] or [c] above.</p>
<p>VA Lending and Borrowing Services</p>	<p>Means carrying out a contract under which a Virtual Asset shall be transferred or lent from one or more parties [the Lender(s)] to one or more other parties [the Borrower(s)] where the Borrower(s) shall commit to return the same, at the request of the Lender(s), at any time either during or at the end of the period agreed upon, either to its interest or on behalf of others interest.</p>
<p>VA Management and Investment Services</p>	<p>Means acting on behalf of an Entity as an agent, or fiduciary, or otherwise taking responsibility for the management, administration or disposition of that Entity’s Virtual Assets. Examples may include, but shall not be limited to:</p> <p>[a] investment management services or otherwise managing Virtual Assets; and [b] taking responsibility for the staking of Virtual Assets for the purposes of earning fees or other values paid to validators and/or node operators of a ‘proof-of-stake’ Distributed Ledger Technology.</p>
<p>VA Proprietary Trading</p>	<p>Means any Entity in the Emirate that actively invests its own portfolio in Virtual Assets.</p>

NOTE

- The activities described in the Annexure are for reference only and may differ from the definitions in the regulations issued by VARA for implementing the Dubai Virtual Asset Law.
- The list of activities and their descriptions can change over time. It is advisable to consult with VARA and DWTC Authority before submitting applications to ensure accurate information.



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