Application Guidelines for Virtual Asset Activity Licenses

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

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Introduction

These guidelines clarify the process of incorporating a FZCO, FZE, or a Branch of a licensed UAE company for conducting VA Activities in the Free Zone. All applicants must fulfil the requirement of obtaining a full market virtual asset license from the Authority, in combination with an operational license from DWTCA, to ensure compliance with regulatory standards. Once the necessary licenses have been successfully acquired, applicants will be subject to the regulations from DWTCA and other relevant UAE authorities. These guidelines, thoughtfully crafted, guaranteeing precision and uniformity throughout the application process. While DWTCA extends valuable guidance on the Dubai Virtual Asset Framework, it should be noted that any guidance or decisions made by the Authority fall outside of their purview of responsibility and liability.

Application Process

The applicant chooses to establish their company/entity with DWTCA to conduct VA activities following the steps below:

1

SUBMIT ON ONLINE APPLICATION

- Including requested documents by DWTCA.
- DWTCA conducts due diligence check (more information can be requested).

2

SECURE DWTCA INITIAL APPROVAL

- The applicant must submit a completed Initial Approval VASP Questionnaire (VARA form).
- The applicant pays DWTCA's fees.

3

SIGN THE CORPORATE DOCUMENTS

- The Applicant must sign the memorandum and articles of association with the required capital set by the authority.

4

SUBMIT YOUR OFFICE LEASE

- The Applicant must provide 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 VA LICENSE

- DWTCA issues a non-operational virtual asset license to the applicant.
- Client must get full market license/exemption from the Authority to conduct VA activities.

6 OPERATIONAL LICENSE ISSUANCE

DWTCA issues an operational license.

Note: If the applicant does not obtain the full market virtual asset license from the Authority within the one-year validity of the non-operational license issued by DWTCA, the non-operational license will not be renewed. Visas, establishment cards (if applicable), will not be renewed. Any fees or costs paid to DWTCA will be forfeited by the applicant.

Change of License Activity Process

ADDING VA ACTIVITY/ REMOVE ACTIVITY

A duly regulated Free Zone Company (FZCO) or Free Zone Establishment (FZE) with full market virtual asset license may seek to add another VA Activity/ remove VA activity following the steps below:

1 ADD AN ACTIVITY/ REMOVE AN ACTIVITY

- Apply directly to DWTCA (online application).
- Application will be assessed by the relevant regulatory body.
- DWTCA conducts due diligence check (more information can be requested.

2 ACQUIRE AN APPROVAL

- Confirm the proposal.
- Pay DWTCA's fees.

3 OBTAIN AN UPDATED OPERATIONAL LICENSE

- All visa applications are subject to final review and approval by Immigration.

Application Requirements

Provide the necessary documents as outlined on the DWTCA portal, along with any additional documents or information requested by DWTCA thereafter.

Comply with additional requirements set out in the below links:

https://media.umbraco.io/dwtc/eealk1nr/setting-up-a-free-zone-company.pdf

https://media.umbraco.io/dwtc/ahkbqw2t/setting-up-a-free-zone-establishment.pdf

https://media.umbraco.io/dwtc/i3vj3iul/setting-up-a-uae-branch.pdf

Annexure 1

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 clients' Virtual Assets. Only VASPs which segregate each client's assets in separate VA Wallets will qualify for a Custody Services License.
VA Exchange Services	means any of the following: A. conducting an exchange, trade or conversion between Virtual Assets and fiat currency. B. conducting an exchange, trade or conversion between one or more Virtual Assets. 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. D. maintaining an order book in furtherance of [a], [b] or [c] above.
VA Lending and Borrowing Services	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.
VA Management and Investment Services	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: [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.
VA Proprietary Trading	Means any Entity in the Emirate that actively invests its own portfolio in Virtual Assets.

PLEASE NOTE THAT

- The activities described in Annexure 1 are for reference only and may differ from the definitions in the regulations issued by the Authority for implementing the Dubai Virtual Asset Law.
- The list of activities and their descriptions can change over time. It is advisable to consult with the Authority and DWTCA before submitting applications to ensure accurate information.

Annexure 2

SCHEDULE OF FEES FOR DWTCA VIRTUAL ASSET COMMERCIAL LICENSING

Application Costs	Fees (in AED)
Registration Fees (one-time only)	2,000
Establishment Card (annual fees)	2,300
License Fees for first VA Activity (annual fees)	23,000
License Fees for each additional VA Activity (annual fees)	8,000