

## **Cabinet Decision No. 112/2022 On Delegating Certain Competencies related to the Regulation of Virtual Assets**

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<i>Type</i>	Law
<i>Issued on</i>	12 Dec 2022 (corresponding to 18 Jumada Al-Awwal 1444 H)
<i>Nature</i>	Cabinet Decision
<i>Jurisdiction</i>	United Arab Emirates

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Having perused:

The Constitution;

Federal Law No. 1/1972 on the Competencies of Ministries and the Powers of Ministers, as amended;

Federal Law No. 4/2000 on the Emirates Securities and Commodities Authority and Market, as amended;

Federal Decree-Law No. 20/2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations and its Executive Regulations, as amended;

Federal Law No. 13/2000 on the Work System of the Securities and Commodities Authority, as amended;

Cabinet Resolution No. 111/2022 Regulating Virtual Assets and their Service Providers;

Dubai Law No. 4/2022 Regulating Virtual Assets in the Emirate of Dubai; and

Based on the proposal of the Chairman of the Board of Directors of the Securities and Commodities Authority and the approval of the Cabinet;

**Has decided as follows:**

### **Article 1 - Definitions**

The terms and expressions mentioned in this Resolution shall have the same meanings indicated thereto in Cabinet Decision No. 111/2022 Regulating Virtual Assets and their Service Providers.

### **Article 2 - Delegation**

The Dubai Virtual Assets Regulatory Authority, established under the aforementioned local Law of the Emirate of Dubai, Dubai Law No. 4/2022, is hereby delegated to exercise the competencies and powers of the Securities and Commodities Authority contained in the aforementioned Cabinet Decision No. 111/2022, as follows:

1. Licensing the activities of virtual assets stipulated in paragraph (1) of Article (5) of the aforementioned Cabinet Decision No. 111/2022, and supervising and controlling them and the providers of virtual asset services and the transactions that take place within the Emirate of Dubai and its free zones, and any other activities to be added by a resolution of the Cabinet;
2. Issuing decisions to regulate virtual asset transactions and licensing their service providers and their work mechanism, in a manner that does not contradict with the decisions approved by the Authority in this regard in accordance with the aforementioned Cabinet Decision No. 111/2022;
3. Verifying that virtual asset service providers comply with the legislation related to the protection of personal data in force in the State;
4. Applying the mechanism for evaluation and monitoring for the controls and requirements set by the Authority on virtual asset service providers and implementing the procedures and measures regarding suspicious transactions that are in violation of the provisions of the legislation in force, particularly the provisions of the aforementioned Federal Decree-Law No. 20/2018 and the decisions issued pursuant thereto, and any relevant international requirements;
5. Raising awareness and educating investors about the sector of investment in virtual assets and its risks;
6. Ensuring fulfilment of the requirements for licensing virtual asset service providers stipulated in paragraph (1) of Article (7) of the aforementioned Cabinet Decision No. 111/2022;
7. Ensuring fulfilment of the requirements related to the practice by virtual asset services providers of the activities of virtual assets stipulated in paragraph (2) of Article (7) of the aforementioned Cabinet Decision No. 111/2022, and implementing and controlling inspection programs and procedures;
8. Developing the appropriate mechanism to oblige virtual asset service providers licensed by it to report security risks, security breaches, or any behaviour that falls within cybercrime in accordance with the legislation in force, which may occur to any of the services provided by such providers;
9. Recovering and collecting fees and commissions for the issuance of licenses, approvals and other services provided in accordance with the provisions of the aforementioned Cabinet Decision No. 111/2022 and this Resolution, in keeping with the controls, requirements and procedures related to the imposition of fees and the party to which they ensure in the Emirate of Dubai, provided that such fees and commissions are subject to sharing with the federal government, in accordance with the agreement to be reached in this regard between the Authority and the Dubai Virtual Assets Regulatory Authority, and in keeping with the terms and conditions applicable by the Ministry of Finance, and the stipulations of the legislation in force;
10. Imposing the penalties and measures stipulated in Article (12) of the aforementioned Cabinet Decision No. 111/2022 on all violations of its provisions, the decisions issued pursuant hereto, and the legislation related to regulating virtual assets in force in the Emirate of Dubai, provided that fines collected under the penalties that are imposed are subject to sharing with the federal government, in accordance with the agreement to be reached in this regard between the Authority and the Dubai Virtual Assets Regulatory Authority, and in keeping with the terms and conditions applicable by the Ministry of Finance, and the stipulations of the legislation in force; and
11. Considering and deciding on grievances submitted to it by persons on whom administrative penalties and measures have been inflicted, in accordance with the procedures applicable by it and the legislation in force.

### **Article 3 - Obligations and Powers of Dubai Virtual Assets Regulatory Authority**

1. The Dubai Virtual Assets Regulatory Authority shall cooperate and coordinate with the Authority with the aim of establishing a unified and appropriate work mechanism for them to regulate the process of supervision and control over virtual asset service providers licensed by the Dubai Virtual Assets Regulatory Authority, and the mechanism for sharing fees, commissions and fines in accordance with Article (2) of this Resolution, in a manner that contributes to achieving the objectives of the aforementioned Cabinet Decision No. 111/2022 and proper implementation to its provisions.
2. The Dubai Virtual Assets Regulatory Authority shall, for the purpose of exercising the duties and powers delegated to it under Article (2) of this Resolution, comply with the provisions of the aforementioned Cabinet Decision No. 111/2022, the legislation in force in the State, and the policies, strategies, principles, standards, regulations and decisions approved by the Authority in this regard.
3. The Dubai Virtual Assets Regulatory Authority may set decisions, regulations and policies that enable it to exercise the duties and powers delegated to it under Article (2) of this Resolution, provided that they do not conflict with the legislation and policies issued by the Authority in accordance with the aforementioned Cabinet Decision No. 111/2022.
4. The fees and commissions collected by the Dubai Virtual Assets Regulatory Authority in return for the services it provides under the legislation in force in the Emirate of Dubai, which the Authority does not provide in accordance with the aforementioned Cabinet Decision No. 111/2022 and the legislation in force in the State, are not subject to sharing. Similarly, the fines collected by the Dubai Virtual Assets Regulatory Authority in exchange for the penalties and measures it imposes on acts that violate the legislation in force in the Emirate of Dubai, and which are not stipulated as constituting a violation of the aforementioned Cabinet Decision No. 111/2022 and the legislation in force in the State, are not subject to sharing.

### **Article 4 - Scope of Application**

The Dubai Virtual Assets Regulatory Authority shall exercise the competencies and powers stipulated in this Resolution exclusively within the Emirate of Dubai and the free zones therein.

### **Article 5 - Entry into Force of the Resolution**

This Resolution shall come into force as of the date of entry into force of the aforementioned Cabinet Decision No. 111/2022.

Issued by us:

On: 18 Jumada al-Awwal 1444 AH

Corresponding to: 12 December 2022 AD

**The original is signed by His Highness Sheikh Mohammed bin Rashid Al-Maktoum  
Prime Minister**