

Guidance on the Virtual Asset Issuance Rulebook

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Introduction

The Dubai Virtual Assets Regulatory Authority ("VARA") was established and authorised by *Law No. (4) of 2022 Regulating Virtual Assets in the Emirate of Dubai ("Dubai VA Law")* to regulate Virtual Assets and Virtual Asset Service Providers ("VASPs").

This Guidance on the Virtual Assets Issuance Rulebook ("**Guidance on VA Issuance**") is issued pursuant to the Virtual Assets and Related Activities Regulations 2023 ("**Regulations**") and the Virtual Assets Issuance Rulebook ("**VA Issuance Rulebook**").

The purpose of this Guidance on VA Issuance is to provide Guidance on the application of the VA Issuance Rulebook as it pertains to the issuance of Virtual Assets by Entities in the Emirate. This Guidance on VA Issuance includes Guidance on, but not limited to, the regulatory requirement to have a Licence for the issuance of Virtual Assets under different categories, details of the disclosures to be made in Whitepapers and additional compliance requirements for the Issuers of Asset-Referenced Virtual Assets ("**ARVAs**").

As per Regulation I.B.4, all Guidance is indicative and only comprises information as further elaboration or explanation on the application of the Regulations, Rulebooks or Directives. This Guidance on VA Issuance is not a substitute for the Regulations, Rulebooks, Directives or independent legal advice. As such, readers are encouraged to use this Guidance on VA Issuance to aid their understanding of the scope and application of relevant provisions of the Regulations, Rulebooks and Directives.

Capitalised terms used in this Guidance on VA Issuance have the meanings defined herein or as defined in Schedule 1.

I. Guidance by topic

No.	VA Issuance Rulebook Reference	Topic	Guidance
1.	I.A.1	<i>"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."</i>	<p>All Entities in the Emirate that issue a Virtual Asset in the course of a business must comply with the VA Issuance Rulebook. Entities include both natural and legal persons in the Emirate.</p> <p>The Entity issuing a Virtual Asset is the Entity seeking to create the Virtual Asset for a given purpose, and will typically determine the features of the Virtual Asset being created, as well as be responsible for the rights and/or obligations that the Virtual Asset represents.</p> <p>VARA recognises that the features and characteristics of Virtual Assets can vary considerably. As such, the relevant requirements that apply to Issuers prior to issuing a Virtual Asset, along with the ongoing involvement and responsibilities of Issuers for a given Virtual Asset, vary accordingly.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>For example, the issuance of an Asset-Referenced Virtual Asset that provides a right of redemption against an underlying asset constitutes a Category 1 VA Issuance and requires the Issuer to be Licensed by VARA, and to hold and maintain Reserve Assets. This framework safeguards owners of the ARVA by ensuring the Issuer prudently manages these Reserve Assets and fulfils ongoing obligations.</p> <p>In contrast, Category 2 VA issuances do not require the Issuer to hold a Licence from VARA and instead mandates the use of a Licensed Distributor for the placement and distribution of such Virtual Asset.</p> <p>Virtual Asset as the term is used in the VA Issuance Rulebook means all units of a given Virtual Asset. VARA recognises that the number of units created and/or in circulation for a given Virtual Asset can fluctuate over time depending on the features of the Virtual Asset.</p>

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			VASPs Licensed by VARA for any VA Activity may themselves be Issuers of Virtual Assets, however, such VASPs would still be required to comply with all precursory requirements under the VA Issuance Rulebook, including, but not limited to, obtaining a Licence for any Category 1 VA Issuance, if applicable.
2.	I.A.2	<p><i>“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—</i></p> <p><i>a) whether the Entity holds itself out as issuing the Virtual Asset in the course of a business;</i></p>	<p>Rule I.A.2 provides further explanation of what VARA deems to be "in the course of a business" for the purposes of Rule I.A.1, above.</p> <p>As stated in sub-paragraph c), any direct or indirect commercial element to the Virtual Asset, or how it is issued, will mean it is issued in the course of a business. Just because a Virtual Asset is not bought and/or sold for money or other value, does not mean that the issuance was not carried out in the course of a business. The purchase and/or sale of Virtual Asset for money or other value is not a</p>

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		<p><i>b) the regularity and scale with which the Entity issues Virtual Assets;</i></p> <p><i>c) whether there is any direct or indirect commercial element to the Virtual Asset or in how the Virtual Asset is issued,</i></p> <p><i>d) whether the Entity receives remuneration, incentive or other value in kind benefit,</i></p> <p><i>e) whether the Entity is related to any commercial or business activity in any way;</i></p> <p><i>f) includes not-for-profit, non-profit and charitable organisations, foundations, associations and associated activity(ies);</i></p> <p><i>g) Category 1 VA Issuances are, in all events without exception, deemed to be carried out in the course of a business; and</i></p>	<p>necessary pre-requisite for the issuance to be deemed to have taken place in the course of a business.</p> <p>Only Virtual Assets issuances that are carried out solely for personal and/or non-commercial use may be deemed not to be issued in the course of a business.</p>

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		<i>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.”</i>	
3.	I.C.1	<i>" VA issuances in the Emirate are categorised, along with the applicable requirement prior to the Virtual Asset being issued, as follows—"</i>	<p>The table in Rule I.C.1 explains the requirements that must be met before a Virtual Asset may be issued according to the category of Virtual Asset issuance being carried out.</p> <p>There are three (3) categories of VA issuance as follows:</p> <ul style="list-style-type: none"> • Category 1 VA Issuance; • Category 2 VA issuance; and • Exempt VAs.

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			All Entities in the Emirate that issue a Virtual Asset in the course of a business must assess the Virtual Asset they are seeking to issue against these categories of VA issuance, to determine what prior requirements must be met before the Virtual Asset is issued, as further explained below.
4.	I.C.1 Category 1	<i>"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."</i>	Any Entity in the Emirate seeking to issue a Virtual Asset which falls within Category 1, must be Licensed by VARA prior to issuing such Virtual Asset. The relevant VA Activity for such Licence is included in Schedule 1 of the Regulations as "Category 1 VA Issuance". The types of Virtual Assets which currently fall within Category 1 VA Issuance are (1) Fiat-Referenced Virtual Assets ("FRVAs") and (2) Asset-Referenced Virtual Assets ("ARVAs"). Further Guidance on the definitions of each of these types of Virtual Assets is provided below.

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			<p>VARA may determine other types of Virtual Assets to fall within Category 1 VA Issuance from time to time in the future. This will be communicated by VARA either through an amended VA Issuance Rulebook or via a Directive issued publicly.</p> <p>Any Entity that obtains a Licence from VARA for the VA Activity of Category 1 VA Issuance will constitute a VASP, and be required to comply with all of VARA's 'compulsory Rulebooks' as follows:</p> <ol style="list-style-type: none"> 1. Company Rulebook; 2. Compliance and Risk Management Rulebook; 3. Technology and Information Rulebook; and 4. Market Conduct Rulebook. <p>In addition, VASPs Licensed by VARA for the VA Activity of Category 1 VA Issuance are required to comply with all Rules set out in the VA</p>

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			<p>Issuance Rulebook, including any Annex for the type of Category 1 Virtual Asset that the VASP will issue.</p> <p>Any Entity seeking a Category 1 VA Issuance Licence from VARA will be required to demonstrate their ability to comply with all applicable Rules and Regulations during the licensing application process.</p> <p>VASPs Licensed by VARA for the VA Activity of Category 1 VA Issuance are also required to gain VARA's approval of the Whitepaper for each Category 1 Virtual Asset that they issue, prior to issuing such Virtual Asset.</p> <p>For example, a VASP Licensed to issue an ARVA which purports to maintain a stable value in relation to an underlying asset, must also seek VARA's approval of the Whitepaper prior to issuing a different</p>

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			<p>ARVA which purports to maintain a stable value in relation to another underlying asset.</p> <p>As the VASP is already Licensed by VARA for the VA Activity of Category 1 VA Issuance, and therefore already complies with the applicable Rulebooks, the process for such approval will focus primarily on the specifics of the issuance and the Whitepaper, rather than a full Licence review.</p>
5.	I.C.1 Category 2	<p><i>"Issuance of any Virtual Asset which does not constitute—</i></p> <p><i>(i) a Category 1 VA Issuance; or</i></p> <p><i>(ii) an Exempt VA."</i></p>	<p>Virtual Assets which fall outside of both Category 1 and Exempt VAs, fall within Category 2.</p> <p>Issuers must therefore assess the Virtual Asset they intend to issue against each of those categories before determining that the Virtual Asset falls within Category 2. In other words, if a Virtual Asset qualifies</p>

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			<p>as a Category 1 VA Issuance then the requirement for the Issuer to obtain a Category 1 VA Issuance Licence will apply.</p> <p>If the Virtual Asset qualifies as an Exempt VA then the Issuer may follow the Rules in respect of Exempt VAs only.</p> <p>Entities in the Emirate seeking to carry out a Category 2 VA issuance do not require a Licence from VARA, however, they must ensure that all placement and distribution is carried out by a Licensed Distributor. Further Guidance on this requirement is provided under Rule I.E.1 below.</p> <p>A VASP Licensed to provide Broker-Dealer Services may also issue Virtual Assets, provided that it complies with the Licensed Distribution Services Rules in Part IV of the Broker-Dealer Services Rulebook in respect of both the Issuer and the Licensed Distributor if the VASP will</p>

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			be carrying out placement and distribution of the Virtual Assets being issued.
6.	I.C.1 Exempt VAs	<p><i>"Issuance of any Virtual Asset which does not constitute a Category 1 VA Issuance and is either—</i></p> <p><i>(i) a Non-Transferable Virtual Asset;</i></p> <p><i>(ii) a Redeemable Closed-Loop Virtual Asset;</i></p> <p><i>or</i></p> <p><i>(iii) other Virtual Asset as may be determined by VARA from time to time."</i></p>	<p>The types of Virtual Asset issuances which currently fall within the Exempt VAs issuance category are (1) Non-Transferable Virtual Assets; and (2) Redeemable Closed-Loop Virtual Assets only. A key requirement for both types of Virtual Asset issuances is that they must not permit markets to form around them. Further Guidance on each of those definitions is provided below.</p> <p>VARA may determine that other types of Virtual Assets qualify as Exempt VAs from time to time in the future, which will be communicated by VARA either through an amended VA Issuance Rulebook or via a Directive issued publicly.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>Any Virtual Asset which constitutes a Category 1 VA Issuance does not qualify as an Exempt VA, regardless of whether it also has all of the characteristics of any defined Exempt VA.</p> <p>All Entities in the Emirate that carry out an Exempt VA issuance are still required to comply with the General Rules under Part II of the VA Issuance Rulebook, which includes acting with integrity, honesty and fairness, amongst other requirements.</p>
7.	I.C.3	<i>"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</i>	<p>VARA recognises that, given the programmable nature of Virtual Assets, their features and characteristics can be changed. To the extent that an Issuer of a Virtual Asset wishes to change any of its features or characteristics, the Issuer must reassess the category that the Virtual Asset will fall under.</p>

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		<p><i>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."</i></p>	<p>If any proposed changes would result in the Virtual Asset no longer qualifying under its original categorisation, the Issuer must take all necessary steps in advance to ensure compliance with the requirements applicable to the new category prior to those changes taking effect.</p> <p>For example, an Issuer that has issued an Exempt VA which is non-transferable wishes to amend the Virtual Asset so that it can be transferred, it will no longer qualify as an Exempt VA. Before implementing such changes, the Issuer must take proactive steps well in advance to ensure seamless compliance with the Category 2 VA issuance requirements including engaging a Licensed Distributor.</p> <p>As a further example, if an Issuer of a Category 2 VA issuance wishes to amend the Virtual Asset such that it will then qualify as any Category</p>

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			1 VA Issuance, the Issuer is required to obtain a Category 1 VA Issuance Licence before those changes take effect.
8.	I.E.1	<i>"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."</i>	<p>Entities in the Emirate that wish to carry out a Category 2 VA issuance must ensure that all placement and distribution is carried out by a Licensed Distributor.</p> <p>Licensed Distributors are VASPs Licensed by VARA to carry out Broker-Dealer Services. In addition to all other requirements in VARA's Rulebooks, those Licensed Distributors must also comply with specific rules for Licensed Distribution Services, set out in Part IV of the Broker-Dealer Services Rulebook. These include conducting due diligence on both the Issuer and the Virtual Asset being issued, and submitting a declaration to VARA.</p>

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			<p>This framework is designed to ensure that all Category 2 Virtual Assets, issued by Entities in the Emirate, are issued and distributed in a compliant manner, which protects the interests of investors and the market as a whole, without the need for the Issuer to obtain prior approval or a Licence from VARA.</p> <p>All Entities in the Emirate issuing Virtual Assets, and all Licensed Distributors, remain subject to VARA's regulatory oversight, at all times.</p>
9.	I.E.3	<i>"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."</i>	<p>Licensed Distributors are responsible for assuring and validating that Issuers comply with the VA Issuance Rulebook, including but not limited to all requirements relating to Whitepapers.</p> <p>Rules IV.B.3 and IV.B.4 of the Broker-Dealer Services Rulebook also require Licensed Distributors to maintain continuous due diligence on</p>

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			both the Issuer and the Virtual Asset being issued throughout the provision of issuance-related services. If a Licensed Distributor knows or ought reasonably to be aware that a Virtual Asset no longer meets the required standards, Rule IV.E.2 of the Broker-Dealer Services Rulebook mandates that they immediately suspend and/or cease all Licensed Distribution Services for that Virtual Asset.
10.	III.B.1	<i>"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")."</i>	All Virtual Assets issued by Entities in the Emirate must be accompanied by a Whitepaper, except for Exempt VAs only. The Whitepaper must be published before the Virtual Asset is made available to the public, including any offering or marketing activities. Issuers must ensure the Whitepaper remains accessible in its original format and location. When preparing the Whitepaper, the Issuer must comply with the requirements of Schedule 1 of the VA Issuance

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			<p>Rulebook. Further Guidance is provided below regarding the application of Schedule 1.</p> <p>The Whitepaper must be made available in a single easily accessible location in a machine-readable format, for example on a website. This prohibits making it available only upon registration or upon payment of a fee. Whitepapers must be written fairly, clearly and in good faith, using language that can reasonably be understood by the prospective owners of the Virtual Asset.</p>
11.	III.B.3	<i>"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."</i>	<p>Liability language can take various forms, each with distinct legal effects. To adequately protect prospective owners of a Virtual Asset, Rule III.B.3 prohibits Issuers from excluding any form of civil liability in respect of the information they provide in the Whitepaper, or any other disclosure or communication.</p>

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			Further Guidance on this Rule is provided by way of Illustrative Examples in Part II of this Guidance on VA Issuance, below.
12.	III.B.5	<i>"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."</i>	Issuers must also ensure that the Whitepaper remains accurate and complete at all times. This is an ongoing requirement on the Issuer that persists for as long as the Virtual Asset is available to the market. Any updates to a Whitepaper must be dated and previous versions must also continue to be made easily accessible in the same format and location in which they were initially published for as long as the Virtual Asset is available to the market.
13.	III.B.6	<i>"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</i>	Issuers must take all reasonable steps to notify owners of Virtual Assets of any changes to the Virtual Asset prior to those changes taking effect. This is to provide owners with adequate time on which to

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		<i>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."</i>	<p>act, should the owner decide such changes may have an impact on the Virtual Asset's value, associated rights, or core functionality.</p> <p>This can include announcements or posts made through the same channels as those through which the Virtual Asset was first announced, or through which other communications are made. It should also include alerts or notifications through the venues on which the Virtual Asset is made available. This notification duty fosters transparency and enables owners to make informed decisions.</p>
14.	III.C.1	<i>"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</i>	<p>In addition to a Whitepaper, all Virtual Assets issued by Entities in the Emirate must have an accompanying Risk Disclosure Statement.</p> <p>The Risk Disclosure Statement must be separate from the Whitepaper but must be available in the same easily accessible location. The publication of the Risk Disclosure Statement does not exempt the</p>

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		<p><i>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."</i></p>	<p>Issuer from any potential liability and solely serves to fulfil the Issuer's regulatory obligation to enable the prospective owner of the Virtual Asset to make an informed decision regarding the Virtual Asset. For this reason, and in accordance with Rule III.B.3 of the VA Issuance Rulebook, the Issuer is prohibited from excluding or attempting to exclude any actual or potential civil liability arising from information contained in a Whitepaper or any other disclosure or communication, which includes the Risk Disclosure Statement.</p> <p>The Risk Disclosure Statement must be written in a concise manner using language that is clear, non-technical and comprehensible for prospective owners of the Virtual Asset to understand. It must provide a detailed description of all material risks related to the Virtual Asset. In order to prevent dilution of critical information, the Issuer must refrain from disclosing non-material risks.</p>

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			<p>This means generic, disclaimer-like, or non-specific risk statements that fail to clearly depict circumstances related to the Virtual Asset being issued should not be included and requires a clear and direct link between each disclosed risk and that Virtual Asset. Virtual Assets may face, to some extent, similar risks, leading to comparable Risk Disclosure Statements and/or sections across peers. However, such risks may or may not be material for a specific Virtual Asset and/or Issuer, based on a range of factors, so the Risk Disclosure Statement must reflect distinctions where relevant.</p> <p>The responsibility for assessing the materiality of risks relating to the Virtual Asset being issued rests with the Issuer and Licensed Distributor (if applicable). While the Risk Disclosure Statement does not require the Issuer to disclose how it has assessed whether a risk is material or not, the materiality of a risk should be apparent from the disclosure itself or supported by an explanation, where necessary, to</p>

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			<p>justify its relevance. In general, a risk qualifies as material if a prospective owner of the Virtual Asset would reasonably regard it as material to their economic decision regarding the Virtual Asset. This may include the likelihood of a risk occurring and the potential severity of any negative consequences resulting from such risk.</p> <p>In order for the Risk Disclosure Statement to remain clear and concise, Issuers should group the disclosed risks into relevant categories. Issuers should rank risks in descending order of materiality within each risk category, disclosing the most significant ones first to direct the reader's attention effectively.</p> <p>While the Issuer may include factors which may mitigate the impact of such risks, for example illustrating the probability of the risk occurring or measures which would limit the possible impact, such explanations must be presented in a balanced manner so as to not overshadow the</p>

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			<p>risk being disclosed. Issuers may, for example, consider using different sized text and/or presentation. Explanations of mitigating factors must also be clear and concise.</p> <p>As above, if the risk mitigating measures render, in the professional opinion of the Issuer and/or the Licensed Distributor (if applicable), the risk as non-material, the Risk Disclosure Statement should not mention it at all.</p>
15.	III.C.2	<i>"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."</i>	<p>As with Whitepapers, the Risk Disclosure Statement must remain accurate and complete at all times.</p> <p>All other requirements regarding updated Whitepapers also apply to updated Risk Disclosure Statements. Accordingly, although they remain separate, Issuers should consider whether updates to the Risk</p>

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			Disclosure Statement are required whenever they update a Whitepaper, and vice versa.
Schedule 1 – VA Whitepaper Requirements			
16.	Schedule 1 A.3	<i>"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."</i>	<p>All Whitepapers must comply with Schedule 1 of the VA Issuance Rulebook.</p> <p>Schedule 1 is designed as a list of the information that Issuers should consider as a minimum when preparing a Whitepaper and is aligned with international best practice regarding disclosure requirements for Virtual Assets.</p> <p>VARA however recognises that not all items in Schedule 1 will be applicable to every Virtual Asset.</p>

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			<p>Issuers and their Licensed Distributors (if applicable) must use professional judgment when making such assessment. If information is later found to have been relevant but not included, the Whitepaper will be deemed non-compliant with Schedule 1 which will result in the necessary actions being taken by VARA against such Issuers and Licensed Distributors (if applicable).</p> <p>Issuers and Licensed Distributors should therefore:</p> <ul style="list-style-type: none"> • carefully consider each item in relation to the specific Virtual Asset being issued; • include all information that is relevant to that Virtual Asset; and • document their professional judgement on the applicability of those items.

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17.	Schedule 1 B.A.vi	<i>"the business, business related and/or professional activities of the Issuer, including any regulatory authorisations or Licences, and its group;"</i>	<p>The description of the Issuer's business, business related and/or professional activities, must be drafted in a way that makes it readily understandable to a person who is not familiar with the Issuer.</p> <p>The description must be presented in a factual, balanced manner and must not contain any promotional language, to ensure clarity and objectivity, enabling prospective owners of the Virtual Asset to assess the Issuer's business without undue influence from marketing rhetoric.</p> <p>In addition, VARA requires Issuers to disclose any Licences granted by VARA as well as any other regulatory authorisations from relevant authorities. This will ensure that prospective Virtual Asset owners can independently verify the Issuer's regulatory status.</p>
18.	Schedule 1 B.A.viii	<i>"an assessment based on a fair review of the development, performance, and position of the</i>	The Issuer must provide an operating and financial assessment. This assessment should cover matters that management views as

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		<p><i>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;"</i></p>	<p>significant to the Issuer's overall business, with those particularly relevant business lines or segments deemed material to prospective owners of the Virtual Asset.</p> <p>The assessment must cover the development during the periods for which historical financial information is provided under item B.A.vii. It should identify trends and factors relevant to prospective Virtual Asset owners' evaluation of past performance, as well as those likely to influence the Issuer's future business and the achievement of its objectives.</p> <p>To ensure balance, the assessment must be neutral in tone and coverage, highlighting successes such as growth metrics alongside setbacks like operational hurdles or market pressures, proportionate to the Issuer's size and the complexity of its business.</p>

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19.	Schedule 1 B.A.ix	<i>"a detailed description of the Issuer's governance arrangements;"</i>	<p>Issuers must provide a detailed description of their governance arrangements in the Whitepaper to demonstrate robust business management and oversight as well as compliance with all regulatory requirements, including the VA Issuance Rulebook.</p> <p>Governance arrangements will vary depending on the activities, size and complexity of an Issuer's business, however this disclosure must be as detailed as possible in order to enable prospective owners of the Virtual Asset to assess how the Issuer manages operational, VA-specific, regulatory, and other material risks effectively.</p> <p>For Issuers Licensed for Category 1 VA Issuances, VARA will expect the description to include the following:</p> <ul style="list-style-type: none"> Organizational structure, illustrating the Issuer's hierarchy, key business units, risk functions, and reporting lines;

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<ul style="list-style-type: none"> • All relevant board and management committees, specifying their composition, responsibilities, meeting frequency, and escalation protocols; • Processes and lines of responsibility for amendments relating to the Virtual Asset and, where applicable, Reserve Assets and redemption; and • Compliance and risk management framework outlining the structures, processes, and controls for identifying, assessing, monitoring, and mitigating material risks.
Schedule 2 – Definitions			
20.	Schedule 2 "Asset Referenced Virtual Asset" or "ARVA"	<i>"Asset-Referenced Virtual Asset" or "ARVA" means any Virtual Asset, that is not an FRVA, and which—</i>	One type of issuance categorised by VARA as a Category 1 VA Issuance is the issuance of an "Asset-Referenced Virtual Asset" or "ARVA".

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p>(a) <i>represents, or purports to represent, direct, indirect, current, future or contingent ownership of any RWA;</i></p> <p>(b) <i>represents, or purports to represent, direct, indirect, current, future or contingent entitlement to receive or share any Income;</i></p> <p>(c) <i>purports to maintain a stable value or reference to any type or combination of RWA(s) or Income;</i></p> <p>(d) <i>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</i></p>	<p>ARVAs can broadly be described as any Virtual Asset which references or is linked to an underlying RWA or Income derived from any RWA (as those terms are also defined, with further Guidance provided below).</p> <p>ARVAs can take many forms, both in terms of the underlying RWAs to which they relate and in the way they are structured, and the rights they grant. For example, some ARVAs aim to represent a direct right of ownership of an RWA, with ownership of the RWA passing as a result of any transfer of the ARVA. Other ARVAs may only grant a right of redemption or value linked to the value of an RWA or portfolio of RWAs, but transferring the ARVA does not itself mean ownership and/or title to the RWAs themselves is transferred.</p> <p>The definition therefore comprises several elements designed to encompass all types of Asset-Referenced Virtual Assets observed in</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>(e) is a directly or indirectly wrapped, duplicated, fractionalised, securitised or derivative version of any other ARVA."</i></p>	<p>the market. The requirements placed on the Issuer will depend on the nature and characteristics of the ARVA they intend to issue.</p> <p>This definition also includes any Virtual Assets that represents, or purports to represent, a direct, indirect, current, future or contingent entitlement to receive or share any 'Income'.</p> <p>The reason for this is that a Virtual Asset may be structured so that it grants its owners and/or holders a right to share in value originating from an RWA, as opposed to ownership of the RWA itself. VARA deems such Virtual Assets to fall within the definition of an ARVA as the RWA remains central to the Virtual Asset and how it derives its value. Further guidance on the definition of 'Income' is provided below.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			The definition of ARVA also explains, any Virtual Asset that references a fiat currency would not fall within the definition of an ARVA and instead constitutes a Fiat-Referenced Virtual Asset or FRVA.
21.	Schedule 2 "Fiat-Referenced Virtual Asset" or "FRVA"	<i>"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."</i>	"Fiat-Referenced Virtual Asset" or "FRVA" means Virtual Assets that purport to maintain a stable value in relation to the value of one or more fiat currencies. These are commonly referred to in the industry as 'fiat-stablecoins' or just 'stablecoins'. FRVAs do not have legal tender status in the UAE. This definition does not include any FRVA that purports to maintain a stable value in relation to the value of AED. Such FRVAs will not be approved under these FRVA Rules.

No.	VA Issuance Rulebook Reference	Topic	Guidance
22.	Schedule 2 "Income"	<i>""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."</i>	<p>As above, the definition of an Asset-Referenced Virtual Asset or ARVA includes any Virtual Assets that represents, or purports to represent, direct, indirect, current, future or contingent entitlement to receive or share any 'Income'.</p> <p>The definition of Income covers all value which originates or is derived from an RWA. This includes all current, future or contingent value. In addition to those forms of value listed (i.e. sales proceeds, interests, dividends, profits and repayments) Income also includes any other form, including royalties, rent or subscriptions, originating or derived from an RWA.</p> <p>A Virtual Asset may provide a right to value which originates or is derived from an RWA, without necessarily granting ownership of the RWA itself. Such Virtual Asset would qualify as an ARVA on the basis</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			it represents, or purports to represent, entitlement to receive or share in any such Income.
23.	Schedule 2 "Non-Transferable Virtual Asset"	<p><i>"Non-Transferable Virtual Asset"</i> means a Virtual Asset that—</p> <p>(a) <i>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;</i></p> <p>(b) <i>is not redeemable or exchangeable for goods, services, discounts, purchases or otherwise has no market, use, or application; and</i></p> <p>(c) <i>cannot be transferred between VA Wallets."</i></p>	<p>The first type of Virtual Asset issuance currently defined by VARA as an Exempt VA issuance is the issuance of a Non-Transferable Virtual Asset.</p> <p>As explained above in the Guidance on Rule I.F, the reason why lesser requirements may be applied to the issuance of Exempt VAs is that their features do not allow for secondary markets to be formed in those Virtual Assets.</p> <p>To qualify as a Non-Transferable Virtual Asset, the Virtual Asset being issued may not be sold by the Issuer, nor may it be redeemable or exchangeable. Examples of Virtual Asset issuances which VARA envisages will fall under this definition are commemorative Virtual</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>Tokens, issued to mark an event or occasion, or 'badges' which may be awarded for completing a course or a stage in a game.</p> <p>As explained above, in the event that any changes to the features or characteristics of a Virtual Asset are planned after it is first issued, before any changes come into effect the Issuer must comply with the requirements of the category under which the Virtual Asset will fall after those changes have been made.</p>
24.	Schedule 2 "Redeemable Closed-Loop Virtual Asset"	<i>""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—</i>	<p>The second type of Exempt VA issuance currently defined by VARA is the issuance of a "Redeemable Closed-Loop Virtual Asset".</p> <p>As with Non-Transferable Virtual Assets, a fundamental requirement is that a market does not form around such Virtual Assets.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p>(a) <i>the Issuer is the legal owner and/or has validly enforceable legal right to grant all rights of redemption;</i></p> <p>(b) <i>the Virtual Asset is not sold or exchanged for, and cannot be converted into, exchanged or redeemed for, fiat currency or Virtual Assets;</i></p> <p>(c) <i>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</i></p> <p>(d) <i>cannot be transferred between VA Wallets other than for the purposes of redemption from the Issuer or designated merchants."</i></p>	<p>The distinction from Non-Transferable Virtual Assets is that a Redeemable Closed-Loop Virtual Asset may be redeemable for goods or services, provided that it is i) not sold or exchanged for fiat currency or other Virtual Assets and ii) it also cannot be used as a means of payment outside the Issuers and/or its partners closed-loop.</p> <p>A qualification to the restriction on transferring the Virtual Asset between VA Wallets applies to allow for redemptions under limb (d).</p> <p>Examples of Virtual Asset issuances which VARA envisages will fall under this category are loyalty points, discount schemes and/or other schemes designed for customer retention, but that cannot be traded or transferred between owners and/or holders.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
25.	Schedule 2 "RWA"	<p><i>"RWA" means, in respect of any Virtual Asset, any type or combination of—</i></p> <p><i>(a) interest in any financial instrument, scheme or arrangement;</i></p> <p><i>(b) physical and/or tangible asset; or</i></p> <p><i>(c) intangible asset, rights or interest, other than—</i></p> <p><i>i. the Virtual Asset itself; or</i></p> <p><i>ii. items that exist in digital form only."</i></p>	<p>An RWA, which is the acronym for 'real-world asset' as the term is currently used in the industry, refers to any asset which exists outside the Virtual Asset or blockchain ecosystem, or any combination thereof.</p> <p>Financial instruments and schemes of arrangement include, but are not limited to, equity, bonds, units of funds, structured products and all other instruments which would qualify as a 'security' under the UAE Capital Markets Authority's laws or regulations.</p> <p>Physical and/or tangible assets include, but are not limited to, real estate, precious metals and/or any physical assets.</p> <p>Intangible assets, rights or interest include, but are not limited to, intellectual property rights, licences and/or contractual rights, with the exception that this does not include the Virtual Asset itself.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			Additionally, to the extent that an asset and/or its right exist only in digital form, and is in no way connected to another RWA or Income, it is also outside the definition of an RWA.
Annex 2 – Asset-Referenced Virtual Assets Issuance Rules			
26.	Annex 2 I.A.3	<i>“Reference Assets” means, in relation to an ARVA, the RWA and/or Income the ARVA represents or purports to represent, as approved by VARA.”</i>	As above, an Asset-Referenced Virtual Asset or ARVA can broadly be described as any Virtual Asset which references or is linked to an underlying RWA or Income derived from any RWA. For the purposes of these Asset-Referenced Virtual Asset specific rules
	Annex 2 III.A.2	<i>“<u>Reference Assets</u>. 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.”</i>	in Annex 2, the RWA and/or Income to which the ARVA is referenced or linked, is defined as the 'Reference Asset'. For example, if an Asset-Referenced Virtual Asset references or is linked to gold, then gold is the Reference Asset.

No.	VA Issuance Rulebook Reference	Topic	Guidance
			All Entities seeking to issue an ARVA must clearly demonstrate to VARA the type and composition of the Reference Assets when applying for a Licence or approval to issue an ARVA.
27.	Annex 2 I.A.4	<i>""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."</i>	Depending on the nature and characteristics of the ARVA, and in particular i) how the ARVA will derive its value, and ii) what rights are being granted to its owners, the Entity issuing the ARVA may be required by VARA to hold assets to best ensure that such value and/or rights are protected. Such assets are referred to as "Reserve Assets". Reserve Assets will apply to any ARVA which purports to maintain a stable value in respect of the value of any Referenced Asset. Reserve Assets must be suitable in order to maintain the value of the ARVA in relation to the value of the Reference Asset, and as such will be required to be the same, or closely related assets, as the Reference Asset.
28.	Annex 2 III.C.1	<i>"VASPs Licensed to issue ARVAs which purport to maintain a stable value in respect of any Referenced Asset, shall hold and maintain</i>	

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>sufficient and acceptable Reserve Assets such that—</i></p> <p><i>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</i></p> <p><i>b. the liquidity risks associated with any rights of redemption granted to the owners and/or holders are mitigated and managed."</i></p>	<p>To continue the example above, if an ARVA purports to maintain a stable link to the price of gold, then the Issuer will be required to hold gold as Reserve Assets, or potentially other assets such as derivatives relating to gold.</p> <p>Reserve Assets must also take into account any rights of redemption granted by the ARVA, particularly the liquidity required to meet all redemption requests. Not all ARVAs are required to provide rights of redemption. Further Guidance on Rule III.E.1 of Annex 2 is provided below regarding redemption rights.</p> <p>Reserve Assets will not be applicable to all Asset-Referenced Virtual Assets. In instances where the ARVA provides a direct right of ownership of the Reference Asset (i.e. the RWA and/or Income) which transfers with the ARVA, then Reserve Assets requirements do not</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			apply. Further Guidance on Rule III.B.1 of Annex 2 is provided below regarding the rules that apply to such ARVAs.
29.	Annex 2 II.A.1	<p><i>"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—</i></p> <p><i>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;</i></p> <p><i>b. the types and composition of Reference Assets, and criteria for how such Reference Assets were identified;</i></p>	<p>In addition to all other information which must be provided in the Whitepaper under Schedule 1 of the VA Issuance Rulebook (and covered in items 8, 9 and 12 of this Guidance on VA Issuance above), Entities in the Emirate that wish to issue an ARVA must also include all of the information listed in items a. – n. of Rule II.A of Annex 2.</p> <p>The purpose of these additional requirements is to ensure that all Whitepapers relating to ARVAs are comprehensive.</p> <p>The additional disclosure requirements in items a. – n. Rule II.A of Annex 2 predominantly focus on ensuring that the rights and/or value that the ARVA grants, or purports to grant, to owners and/or holders of the ARVA are clearly set out.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>c. whether the types of Reference Asset will change and, if so, the circumstances in which any such changes may take place;</i></p> <p><i>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;</i></p> <p><i>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</i></p>	<p>This includes whether the ARVA purports to grant a direct right of ownership in the RWA or whether it maintains a stable link to the value of an RWA and/or Income by maintaining Reserve Assets, and/or whether any rights of redemption are provided.</p> <p>In instances where the Issuer will maintain Reserve Assets, the Whitepaper must include full details of the types and composition of those Reserve Assets, and whether the types of Reserve Asset may be subject to change, as well as other information prescribed in item m below.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>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;</i></p> <p><i>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;</i></p> <p><i>g. whether the VASP will maintain Reserve Assets in respect of the ARVA;</i></p>	

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>h. the types and composition of Reserve Assets (if applicable), and criteria for how such Reserve Assets were identified;</i></p> <p><i>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);</i></p> <p><i>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);</i></p>	

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>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;</i></p> <p><i>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;</i></p> <p><i>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</i></p>	

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>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</i></p> <p><i>n. any other relevant information as may be determined by VARA."</i></p>	
30.	Annex 2 II.B.1 and II.B.2	<p><i>"1. VASPs Licensed to issue ARVAs shall at least monthly, and in a clear, accurate and transparent manner disclose on their website—</i></p> <p><i>a. the number and value of ARVAs in public circulation; and</i></p> <p><i>b. the value and composition of the Reserve Assets (if applicable).</i></p>	<p>Entities Licensed by VARA to issue an Asset-Referenced Virtual Asset must disclose on their website the information listed in Rule II.B of Annex 2.</p> <p>The number and value in circulation required in Rule II.B.1.a of Annex 2 are required for all ARVAs. Number means the number of units in circulation. Value means a reasonably accurate total valuation of those total units in circulation at the date the disclosure is made. The total</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<i>2. Disclosures in accordance with Rule II.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."</i>	<p>value should use reasonable measures of the average unit values of the ARVA across the venues on which it is available.</p> <p>As stated, Rule II.B.1.b of Annex 2 is only applicable if Reserve Assets are maintained in respect of the ARVA, in which case the value and composition of those Reserve Asset at the time the disclosure is made must be provided. In such instances, Rule II.B.2 of Annex 2 also applies, whereby the Issuer must provide a statement confirming whether or not the ARVA is, at the time of the disclosure, fully backed by sufficient Reserve Assets.</p>
31.	Annex 2 III.B.1	<i>"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—</i>	In instances where the ARVA provides a direct right of ownership of the Reference Asset, the Issuer must satisfy all of the requirements in Rule III.B.1 of Annex 2 to ensure that the ARVA operates as intended.

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>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;</i></p> <p><i>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</i></p> <p><i>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</i></p>	<p>The requirements in Rule III.B.1 of Annex 2 reflect the fact that for ownership of certain types of assets to be legally and validly established, there are additional steps and/or requirements that must be met.</p> <p>Any Entity wishing to issue an ARVA that aims for such ownership rights to be established by the ARVA itself, must ensure that the right of ownership is legally and validly established and that such right of ownership transfers in the event of a transfer of ownership of the ARVA and that all legal or regulatory requirements relating to the settlement, completion and/or transfer of legal ownership are satisfied in all circumstances.</p> <p>The Entity will also be required to plan, and have mitigating measures in place, for all scenarios where a transaction in the ARVA does not result in the transaction being legally settled or completed as described.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<i>transactions in the ARVA result in a corresponding transaction in the Reference Asset being legally settled, completed and/or transferred."</i>	
32.	Annex 2 III.B.2	<i>"<u>Legal opinion.</u> 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."</i>	<p>This Rule gives VARA a general power to require VASPs issuing an ARVA to provide a legal opinion confirming any information provided to VARA, or in a Whitepaper.</p> <p>The Rule reflects the fact that all legal considerations relating to an ARVA must be understood by the VASP and accurately reflected in both the Virtual Asset itself and all communications relating to it, including the Whitepaper. VASPs will be expected to have taken legal advice and as such should be able to provide any legal opinions required by VARA.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>Where VARA requires a VASP to provide a legal opinion, this may include, but not be limited to, requiring the opinion to confirm the Issuer's capacity and authority to issue the ARVA, the classification of the ARVA and all rights it purports to grant to owners and/or holders, compliance with all laws, regulations and/or rules applicable to the ARVA and/or its underlying RWA or Income.</p> <p>In addition, under Rule III.C.4 of Annex 2, all VASPs Licensed to issue ARVAs will be required to provide VARA with a legal opinion confirming compliance with Rule III.C.3 of Annex 2, which is covered in more detail below.</p> <p>All legal opinions provided to VARA must comply with the following requirements:</p> <p>I. Authorship and Qualification</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>The legal opinion must be prepared and signed by a duly registered practising lawyer. This excludes legal opinions issued by an internal legal counsel of the Issuer. The lawyer must have demonstrable expertise in financial, securities, or virtual asset law relevant to the Issuance.</p> <p>II. Independence and Objectivity</p> <p>The lawyer must act independently and exercise professional judgment without undue influence as required under their professional obligations.</p> <p>If the lawyer providing the legal opinion has any interest in the VASP or the ARVA being issued, full details of such interests must be provided, accompanied by an undertaking that the lawyer holding such interest is compliant with its professional duties.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>III. Scope of the Legal Opinion</p> <p>The legal opinion must address the full scope specified by VARA which may include, but not be limited to, the following:</p> <ol style="list-style-type: none"> 1. The Issuer's capacity, and authority to conduct the Issuance. 2. The legal nature and regulatory classification of the Virtual Asset as an ARVA. 3. The validity and enforceability of all rights and/or value that the ARVA grants, or purports to grant, to the owners and/or holders of the ARVA including against or in respect of (i) the Issuer, (ii) the Reference Assets, (iii) any Reserve Assets, and (iv) any other entity involved in the Issuance. 4. The compliance of the proposed Issuance with applicable laws, regulations and rules, including the VARA Rulebooks.

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>5. Identification of any jurisdictional or legal risks, limitations, or restrictions applicable to the Issuance or to offering the Virtual Asset.</p> <p>6. To the extent applicable, confirmation that the Reference Assets and/or Reserve Assets will not be subject to any recourse by any third parties (e.g. creditors), in particular in the event of any party involved in the issuance becoming insolvent.</p> <p>IV. Assumptions, Reliance, and Limitations</p> <p>The legal opinion must clearly articulate any assumptions, limitations, and sources of information on which the lawyer has relied. All assumptions must be reasonable and appropriately qualified. The legal opinion must specify whether any factual information was provided by the Issuer or third parties.</p>

No.	VA Issuance Rulebook Reference	Topic	Guidance
			<p>V. Form and Submission</p> <p>The legal opinion must be:</p> <ul style="list-style-type: none"> • dated, signed, and issued on official letterhead of the practising law firm or sole practitioner; and • included as part of the Whitepaper submission package. <p>V. Ongoing Validity and Amendments</p> <p>The Issuer is responsible for ensuring that the legal opinion remains current throughout the review and approval process. Where there are material changes in the structure, rights, or regulatory treatment of the Virtual Asset, the lawyer is obliged to issue a revised or supplemental opinion to VARA.</p>
33.	Annex 2 III.C.3	<i>"VASPs Licensed to issue ARVAs shall, to the furthest extent permitted by applicable laws, ensure that Reserve Assets—</i>	VASPs that are required to hold Reserve Assets in respect of any ARVA must comply with Rule III.C.3 of Annex 2 in order to ensure the Reserve Assets are protected in the event of insolvency of the VASP.

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>a. are legally segregated from its estate and the Reserve Assets of any other Virtual Assets;</i></p> <p><i>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</i></p> <p><i>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."</i></p>	<p>VARA acknowledges that VASPs may use different legal methods in order to ensure such Reserve Assets are segregated in the event of the VASPs insolvency and, as such, the Rule refers to 'the furthest extent permitted by applicable laws'.</p>
34.	Annex 2 III.C.4	<i>"Legal opinion. VASPs Licensed to issue ARVAs shall be required to provide VARA with a legal</i>	In addition to any legal opinion which may also be required under Rule III.B.2 of Annex 2 above, all Issuers of ARVAs which maintain Reserve

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<i>opinion, provided by a duly registered practising lawyer, confirming compliance with Rule III.C.3 above."</i>	<p>Assets will be required to provide VARA with a legal opinion confirming that they comply with Rule III.C.3 of Annex 2.</p> <p>All legal opinions provided to VARA under this Rule III.C.4 of Annex 2 must also conform with the Guidance provided on the form and substance of legal opinions provided under Rule III.B.2 of Annex 2 above.</p>
35.	Annex 2 III.E.1	<i>"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—</i> <i>a. AED; and</i>	Asset-Referenced Virtual Assets may provide owners a right of redemption whereby an owner can redeem the ARVA for a certain value. Such rights of redemption are typically included for ARVAs which maintain or purport to maintain a stable value relative to a Reference Asset, as opposed to ARVAs that provide a direct right of ownership of the Reference Asset.

No.	VA Issuance Rulebook Reference	Topic	Guidance
		<p><i>b. other forms as may be determined by the VASP and disclosed in the Whitepaper."</i></p>	<p>Entities Licensed to issue an ARVA are not mandated to provide owners and/or holders with a right of redemption. However, to the extent that such right is granted, owners and/or holders must be given the right to redeem the ARVA for an equal value denominated in Dirhams (AED) as well as any other forms determined by the Issuer and set out in the Whitepaper.</p> <p>In other words, owners and/or holders must have the right to redeem the ARVA in Dirham (AED) in addition to any other options offered by the Issuer.</p>

II. Illustrative Examples

Purpose

The illustrative examples in this Part II aim to contextualise the application of the Regulations and the Guidance in Part I. Readers should note that these examples and case studies have been designed to highlight certain issues and considerations relevant to VA issuances and there may be regulatory issues in these examples and case studies other than those explained which are not mentioned.

All of the following examples and case studies are made up and provided for illustration purposes only.

All names and descriptions in the following illustrative examples are fictional and provided for illustrative purposes only. No identification with actual Virtual Assets, Entities, technology, products and/or services is intended or should be inferred or implied.

A Category 1 VA Issuance (Example 1)

GLD FZE is an Entity incorporated in a free zone within the Emirate. GLD FZE wants to issue a Virtual Asset called GLD1 which maintains a stable value with reference to the price of one (1) ounce of gold. Purchasers of GLD1 can mint GLD1 by sending GLD FZE the current value of one (1) ounce of gold and in return will receive one (1) GLD1. Owners of GLD1 can also redeem the current value of one (1) ounce of gold by sending GLD1 back to GLD FZE.

Key considerations: Issuing GLD1 would be categorised as a Category 1 VA Issuance under the VA Issuance Rulebook and, as such, GLD FZE would require a Category 1 VA Issuance Licence from VARA prior to issuing GLD1. The reason for this is that gold constitutes an RWA under VARA's definition as it is a '*physical and/or tangible asset*' and GLD1 purports to maintain a stable value or reference to gold (i.e. an RWA).

As part of GLD FZE's application to VARA for a Category 1 VA Issuance Licence, GLD FZE will need to clearly describe in the Whitepaper how GLD1 maintains a stable value with reference to one (1) ounce of gold, as planned. This will require GLD FZE to maintain sufficient and acceptable Reserve Assets such that the risks associated with the rights and/or value that GLD1 grants, or purports to grant, owners of GLD1 are secured. Given the nature of GLD1 this will likely require GLD FZE to hold Reserve Assets in gold and/or regulated gold derivative contracts, equal to or exceeding the circulating supply of GLD1, at all times.

As owners of GLD1 have a right of redemption, GLD FZE will need to manage liquidity risks associated with the Reserve Assets. GLD FZE will need to offer owners of GLD1 the right to redeem their GLD1 for its value in Dirhams (AED) as well as any other options that may be offered.

B Category 1 VA Issuance (Example 2)

RE FZE is an Entity incorporated in a free zone within the Emirate. RE FZE wants to issue a Virtual Asset called RE1 which gives owners a right to income received from a portfolio of real estate properties in Dubai. The income will be in the form of both rental income and a share in the profits received from any

sales of the real estate property. RE1 does not give owners any direct right of ownership in the real estate properties themselves, nor does it provide any right of redemption against RE FZE. The value of RE1 can only be realised by its owners through selling their RE1 or in the limited circumstances of a winding down or insolvency of RE FZE.

Key considerations: Issuing RE1 would be categorised as a Category 1 VA Issuance under the VA Issuance Rulebook and, as such, RE FZE would require a Category 1 VA Issuance Licence from VARA prior to issuing RE1.

The reason for this is that real estate property constitutes an RWA under VARA's definition as it is a '*physical and/or tangible asset*'. Rental income and a share in the profits received from any sales would constitute "Income" under VARA's definition as it is value originating or deriving from an RWA (i.e. the real estate property). RE1 therefore represents, or purports to represent, a direct current and future entitlement to receive or share in Income.

As part of RE FZE's application to VARA for a Category 1 VA Issuance Licence, RE FZE will need to clearly describe in the Whitepaper how it will ensure that RE1 maintains the rights and value that it grants, or purports to grant, to owners. This will include, but is not limited to, scenarios in the event that RE FZE is wound down or becomes insolvent.

C Category 2 VA Issuance (Example)

ORC FZE is an Entity incorporated in a free zone within the Emirate. ORC FZE is developing an advanced oracle solution which allows applications built on major public blockchains to obtain price feeds and other data from off-chain sources. Users of the oracle software that ORC FZE is developing will be able to interact with the oracle software by sending a Virtual Asset called ORC to pay for requests and receive data from the oracle. ORC will be available for purchasing on multiple venues and is freely transferable to any compatible VA Wallet.

Key considerations: ORC FZE is the Issuer of the ORC Virtual Asset as it is the Entity that will create and maintain it for the purpose of its oracle solution. ORC FZE will determine the features of ORC as well as being responsible for the rights and/or obligations that the token represents.

The issuance of ORC would fall within Category 2 under the VA Issuance Rulebook for the following reasons:

- it does not constitute a Category 1 VA Issuance because the ORC Virtual Asset is neither a Fiat-Referenced Virtual Asset nor an Asset-Referenced Virtual Asset. This is because ORC does not reference any other asset and exists in digital form only; and
- it is not an Exempt VA because the ORC Virtual Asset is neither a Non-Transferable Virtual Asset nor a Redeemable Closed-Loop Virtual Asset. This is because ORC is freely transferable.

As a result, ORC FZE does not need VARA's prior approval before issuing ORC, however in order to comply with the VA Issuance Rulebook, ORC FZE must ensure that all placing and distribution of ORC is carried out through or by a Licensed Distributor.

D Category 2 VA Issuance – Licensed Distributors (Example)

LDS FZE is a VASP that is Licensed by VARA to carry out Broker-Dealer Services. LDS FZE has been approached by ORC FZE to provide placement and distribution services to ensure the launch of its ORC Virtual Asset is carried out in a compliant manner, in accordance with the VARA VA Issuance Rulebook.

Key considerations: As explained in **Illustrative Example C** above, issuing ORC falls within Category 2. As a result, ORC FZE must ensure that all placing and distribution of ORC is carried out through or by a Licensed Distributor. As LDS FZE is a VASP that is Licensed by VARA to carry out Broker-Dealer Services, LDS FZE qualifies as a Licensed Distributor and can provide such placing and distribution services.

In order to meet the requirements in Part IV (Licensed Distribution Services Rules) of the Broker-Dealer Services Rulebook, LDS FZE must ensure, beyond all reasonable doubt, the quality of both ORC FZE as an Issuer and ORC as the Virtual Asset, before carrying out any placement or distribution of ORC.

'Quality' is explained fully in Rule IV.B.2 of the Broker-Dealer Services Rulebook and includes all factors relevant to the assurance of, but not limited to, the following:

- a. consumer protection;
- b. full FATF and financial sanctions compliance and zero tolerance of money laundering;
- c. zero tolerance of any fraud, theft or other illicit or criminal activity;
- d. fair, orderly and transparent markets;
- e. technical and/or cyber security exposures associated with the Virtual Asset and/or with the act of issuance or throughout the process of issuing or transferring the Virtual Asset;
- f. compliance with all applicable laws and regulations; and
- g. compliance with the VA Issuance Rulebook.

LDS FZE must complete due diligence assessments of both ORC FZE and the ORC Virtual Asset in accordance with Rules IV.B.3 and IV.B.4 of the Broker-Dealer Services Rulebook. LDS FZE must submit reports from both of those due diligence assessments to VARA, along with the Whitepaper and the Risk Disclosure Statement relating to ORC. LDS FZE must also submit a signed declaration stating it has complied with Rule IV.B.1 of the Broker-Dealer Services Rulebook, above.

LDS FZE must wait for a period of fifteen (15) Working Days, starting on the first Working Day after the submissions to VARA are made, before it can place or distribute ORC. This is called the "Submission Period". If LDS FZE does not receive any comment or objection from VARA during this period, it is free to distribute or place ORC after the Submission Period has ended. If VARA does make any comments or objections, LDS FZE must address or remedy them to VARA's satisfaction before it can place or distribute ORC.

For the avoidance of doubt, in no event does VARA approve any Virtual Asset, Issuer or Licensed Distribution Services by virtue of a VASP's compliance with this process including, where a Submission Period passes without comment or objection from VARA. LDS FZE must ensure the following disclaimer is included in all documentation relating to ORC including, but not limited to, the Whitepaper:

"VARA has not made any 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."

E Excluded VA (Example)

EVA FZE is an Entity incorporated in the Emirate which owns and operates a luxury retail brand. As part of the celebrations of its 10-year anniversary, EVA FZE wants to issue a commemorative Virtual Asset to its most loyal customers called EVA1. EVA1 will be issued to selected customers only, chosen by EVA FZE, and will not be transferable between VA Wallets once issued. The EVA1 collection is not available for purchase and customers will be chosen based on past retail purchasing history. EVA1 is purely commemorative and does not provide customers with any rights of redemption or discount.

Key considerations: EVA FZE is able to issue the EVA1 collection as an Exempt VA under the VA Issuance Rulebook without the need to prepare a Whitepaper or Risk Disclosure Statement. This is because the EVA1 Virtual Asset constitutes a Non-Transferable Virtual Asset on the basis it is not being sold, provides no rights of redemption or discount and is not transferable between VA Wallets.

EVA FZE must still comply with Part II (General Rules) of the VA Issuance Rulebook which includes acting with integrity, honesty and fairness and remains under the supervisory, examination and enforcement powers of VARA as an Issuer of a Virtual Asset in the Emirate.

F Whitepaper Requirements

Key considerations: As explained above, Part III.B of the VA Issuance Rulebook requires all Entities in the Emirate that issue a Virtual Asset to publish a Whitepaper (except for Exempt VAs only).

Whitepapers must include the relevant disclosures set out in Schedule 1 of the VA Issuance Rulebook.

When creating Whitepapers, Issuers are subject to Rule II.1.d of the VA Issuance Rulebook which states that, "*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*".

The following sub-sections below provide fictional clauses which alone would not meet the Whitepaper requirements in the VA Issuance Rulebook.

1. Limitations of Liability

The following two examples are clauses which breach Rule III.B.3 of the VA Issuance Rulebook, as they attempt to exclude liability in respect of information in the Whitepaper:

"Clause (1) To the maximum extent permitted by law, the Issuer disclaims all liability for any errors or omissions in this Whitepaper."

Key considerations: Clause (1) does not comply with Rule III.B.3 of the VA Issuance Rulebook because it explicitly excludes liability for the Issuer in respect of information provided in the Whitepaper, including any errors or omissions.

"Clause (2) No reliance should be placed on this Whitepaper. Token owners assume all risks without recourse to the Issuer."

Key considerations: Clause (2) does not comply with Rule III.B.3 of the VA Issuance Rulebook because it aims to exclude the Issuers liability for information in the Whitepaper by stating that no reliance should be placed on such information. This aims to limit the recourse owners or prospective owners may have against the Issuer if such information is false or misleading, which undermines the accountability that the Issuer should have for such disclosures and shifts all risk to the owners or prospective owners when relying on that information.

2. Information about the Issuer

The following three clauses are examples of disclosures about the Issuer which do not comply with Schedule 1.B.A:

"Clause (3) Business Activities and Regulatory Authorisations. The Issuer is a pioneering fintech innovator leading the digital asset revolution in Dubai and beyond. Our company is at the forefront of blockchain technology adoption, bringing institutional-grade stability to the Virtual Asset market through cutting-edge solutions and market-leading operational excellence. The Issuer is engaged in the issuance of Virtual Assets designed to bridge traditional finance and decentralized systems, positioning itself as a strategic partner for forward-thinking organizations seeking next-generation solutions. We are deeply committed to regulatory compliance and operate in accordance with all applicable UAE laws and VARA regulations."

Key considerations: Clause (3) fails item B.A.vi of Schedule 1 because it employs subjective language without providing factual information about the Issuer's business activities. Additionally, the clause makes vague assertions about regulatory compliance that may mislead prospective investors without disclosing the specific regulatory licenses under which the Issuer operates. VARA requires Issuers to disclose any licenses granted by VARA, as well any regulatory licenses from other authorities. Without full disclosure regarding the regulatory status, prospective Virtual Asset owners cannot independently verify the Issuer's regulatory status.

"Clause (4) Business Development Assessment. The Issuer has achieved significant milestones and established itself as a trusted partner in the Virtual Asset ecosystem. The Issuer's financial performance has been strong, with revenue increasing year-over-year and operational efficiency improving continuously. Looking ahead, the Issuer expects to continue expanding its market presence and generate increased profitability as the Virtual Asset market matures and adoption accelerates."

Key considerations: Clause (4) does not comply with item B.A.viii of Schedule 1 because, in claiming strong financial performance, it only provides promotional language without quantified financial metrics (e.g. revenue, expenses, profit/loss). For projects which have a track record, year-over-year data should be provided covering the periods described along with other relevant performance metrics, in order to provide a balanced analysis of the Issuer's performance.

"Clause (5) Governance Arrangements. The Issuer is governed by experienced management and operates in accordance with international corporate governance best practices and applicable regulatory standards."

Key considerations: Clause (5) on its own fails item B.A.ix of Schedule 1 as it only provides a generic descriptions such as "*experienced management*" and "*best practices*" without providing further details. Issuers claiming corporate governance practices in line with international best practice should be able to provide further details of such governance structures, such as organisational structures, boards and/or committees including their composition, responsibilities and meeting frequency. Without more detail, prospective Virtual Asset owners cannot assess whether governance arrangements adequately protect their interests and/or are in fact in line with international corporate governance best practices.

3. Information about the Virtual Asset

The following three clauses are examples of disclosures about the Virtual Asset which do not comply with Schedule 1.B.B:

"Clause (6) Future Plans and Milestones. The Issuer plans to enhance the Virtual Asset with additional features and integrate with new trading platforms as opportunities arise."

Key considerations: Clause (6) does not sufficiently cover item B.B.iii of Schedule 1 because it does not provide information on things such as roadmap, timelines, resource allocations, or success criteria for any stated plans. Issuers making such assertions as those included above should include specific, time-bound milestones with quantified success criteria. Those may include where applicable which additional features are contemplated, which new trading platforms are planned, when enhancements are planned to be launched, and how much has been allocated to development. The clause also fails to distinguish between completed and planned milestones, creating ambiguity about actual track record versus aspirational goals.

Prospective Virtual Asset owners need visibility into the Issuer's capability to deliver promised enhancements in order to assess whether the project as a whole, including delays or abandonment of milestones, is within their risk appetite for the Virtual Asset.

"Clause (7) Target Market and Restrictions. The Virtual Asset is designed for investors globally who wish to hold a stable store of value against gold."

Key considerations: Clause (7) does not conform to item B.B.iv of Schedule 1 because it makes a general claim about global availability without disclosing specific geographic, legal entity, or sanctions-based restrictions that apply. VARA requires Issuers to identify the precise jurisdictions where a Virtual Asset is not prohibited and any applicable restrictions on the types or classifications of investors who may own the Virtual Asset. Without this disclosure, prospective Virtual Asset owners cannot determine whether they are eligible to hold the Virtual Asset or whether the intended use cases are permitted.

"Clause (8) Trading Platforms, Access, and Associated Costs. The Virtual Asset will be available on major cryptocurrency exchanges and decentralized platforms for investor convenience."

Key considerations: Clause (8) fails item B.B.v of Schedule 1 by only vaguely referencing "major cryptocurrency exchanges" and "decentralized platforms" without naming specific venues or trading platforms where the Virtual Asset is currently available. This allows prospective owners of the Virtual Asset to assess secondary market tradability and associated costs.

4. Asset-Referenced Virtual Assets: Additional Disclosures

The following six clauses are examples of disclosures about an Asset-Referenced Virtual Asset which do not comply with the additional disclosure requirements relating to ARVAs in Part II of Annex 2 of the VA Issuance Rulebook:

"Clause (9) Rights and Value. The ARVA provides owners with exposure to a diversified pool of assets while maintaining a stable value through prudent reserve management."

Key considerations: Clause (9) alone does not comply with Rule II.A.1.a. of Annex 2. This is because it uses vague language such as "*exposure*", "*stable value*" and "*prudent reserve management*" instead of clearly describing the specific legal rights granted to ARVA owners. Issuers must state unequivocally what rights owners and/holder of the ARVA will have including, as applicable, whether the ARVA grants a direct right ownership, a beneficial interest, contractual redemption rights, or other form of rights in or over the Reference Asset or Reserve Assets.

In addition, it provides no detailed information on how such value will be derived or maintained, leaving prospective ARVA owners unable to assess the credibility of the claim that it will maintain a stable value relative to the pool of assets.

"Clause (10) Types and Composition of Reference Assets. The ARVA references high-quality, liquid assets selected according to the Issuer's investment criteria."

Key considerations: Clause (10) fails to comply with Rule II.A.1.b. of Annex 2 by not providing substantive disclosure about the Reference Asset. VARA requires Issuers to provide full details including specific assets and/or asset classes where applicable. Clause (10) also does not provide any information about how those assets will be selected such as minimum ratings, maturity limits, liquidity metrics, or diversification rules. Prospective ARVA owners cannot assess whether the Reference Assets meet their objectives and/or standards based on this description alone.

"Clause (11) Changes to Reference Assets. Reference Assets may change. "

Key considerations: Clause (11) does not comply with Rule II.A.1.c. of Annex 2 because it does not include the circumstances in which any such changes may take place.

"Clause (12) Rights of Owners. ARVA owners benefit from the performance of the underlying Reference Assets."

Key considerations: Clause (12) does not comply with Rule II.A.1.d. of Annex 2 because it does not provide sufficient detail on the legal rights that the ARVA grants. VARA requires an explicit statement whether an ARVA represents direct ownership or title to an RWA, or another right such as beneficial ownership or a contractual claim. The Issuer must provide all relevant details in this regard in the Whitepaper. As a result this clause lacks material information that a prospective owner would need to assess the ownership and/or rights granted by the ARVA and make an informed decision.

"Clause (13) Value. The ARVA maintains a stable value relative to its Reference Assets through active management of the Reserve Assets."

Key considerations: Clause (13) alone does not comply with Rule II.A.1.f. of Annex 2, as it fails to explain how the stable value will be maintained. The Whitepaper must include a detailed description of how such stable value is intended to be maintained including, for example, the composition and weighting of each type of Reserve Asset. In addition, simply stating "*active management*" provides no transparency about how the Reserve Assets are managed, leaving prospective owners unable to assess the claim it will maintain a stable value or compare it to alternatives.

"Clause (14) Types/Composition of Reserve Assets. Reserve Assets consist of suitable financial instruments selected per the Issuer's policies."

Key considerations: Clause (14) does not comply with Rule II.A.1.h. of Annex 2 by not providing sufficient details of the types and composition of Reserve Assets and the criteria for how such Reserve Assets are identified. The types and composition of Reserve Assets should include both asset classes, and specific assets. In addition, Issuers should describe the identification criteria for such assets and how they may change in future including minimum ratings, liquidity tests and diversification rules, where applicable, in order to ensure that prospective owners of the ARVA may assess the quality of the Reserve Assets.

G Risk Disclosure Statements

Key considerations: Part III of the VA Issuance Rulebook also requires all Entities in the Emirate that issue a Virtual Asset to publish a Risk Disclosure Statement (except for Exempt VAs only). Risk Disclosure Statements must comply with the Rules set out in Part III.C of the VA Issuance Rulebook.

The following are two examples of disclosures in a Risk Disclosure Statement which do not comply with Part III.C:

"Disclosure (1): The Issuer is subject to various risks, including market, credit and operational risks, which may negatively affect the value of the Virtual Asset."

Key considerations: Disclosure (1) does not comply with Rule III.C.1 because the language is generic and not-specific to the material risks relating to the Virtual Asset being issued. Issuers should establish a clear link to the Issuer and/or Virtual Asset being issued and refrain from using catch-all phrases applicable to any Issuer. Issuers should provide clear and detailed explanations of such risks, considering their probability and magnitude, and also explain the consequences of such risks.

"Disclosure (2): The failure of xyz protocol may result in the loss of customer assets. The Issuer does not use xyz protocol and as such there is no likelihood of any material disruption caused by a failure in xyz protocol."

Key considerations: Risk Disclosure Statements must disclose material risks in a concise manner. Disclosure (2) states a risk which it then explains is not applicable and/or material. If factors render a risk non-material, the Risk Disclosure Statement should not mention it at all.

Schedule 1 – Definitions

Term	Definition
“Asset-Referenced Virtual Asset” or “ARVA”	has the meaning ascribed to it in Schedule 2 to the VA Issuance Rulebook.
“Directive”	has the meaning ascribed to it in the Regulations.
“Dubai VA Law”	means <i>Law No. (4) of 2022 Regulating Virtual Assets in the Emirate of Dubai</i> , 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.
“Exempt VAs”	has the meaning ascribed to it in Rule 1.C.1 of the VA Issuance Rulebook.
“Fiat-Referenced Virtual Asset” or “FRVA”	has the meaning ascribed to it in Schedule 2 to the VA Issuance Rulebook.
“Guidance”	has the meaning ascribed to it in the Regulations.
“Guidance on VA Issuance”	means this Guidance on VA Issuance 2026, as may be amended from time to time.
“Licence”	has the meaning ascribed to it in the Regulations.
“Licensed”	means having a valid Licence.
“Licensed Distributor”	means a VASP Licensed by VARA to carry out Broker-Dealer Services.
“Non-Transferable Virtual Asset”	has the meaning ascribed to it in Schedule 2 to the VA Issuance Rulebook.
“Redeemable Closed-Loop Virtual Asset”	has the meaning ascribed to it in Schedule 2 to the VA Issuance Rulebook.
“Regulations”	means the Virtual Assets and Related Activities Regulations 2023, as may be amended from time to time.

Term	Definition
“Risk Disclosure Statement”	has the meaning ascribed to it in Rule III.C.1 of the VA Issuance Rulebook.
“Rule”	has the meaning ascribed to it in the Regulations.
“Rulebooks”	has the meaning ascribed to it in the Regulations.
“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.
“VA Wallet”	has the meaning ascribed to the term “Virtual Asset Wallet” in the Dubai VA Law.
“VARA”	means the Dubai Virtual Assets Regulatory Authority.
“VASP”	means an Entity authorised by VARA to conduct VA Activity(ies) in the Emirate as a “Virtual Asset Service Provider”.
“Virtual Asset” or “VA”	has the meaning ascribed to it in the Dubai VA Law.
“Virtual Tokens”	has the meaning ascribed to it in the Dubai VA Law.
“Whitepaper”	has the meaning ascribed to it in Rule III.B.1 of the VA Issuance Rulebook.