



Broker-Dealer Services 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 Asset Service Providers ("**VASPs**").

This Broker-Dealer Services Rulebook is issued pursuant to, and forms part of, the Virtual Assets and Related Activities Regulations 2023, as may be amended from time to time ("**Regulations**"), issued by VARA, and applies to all VASPs Licensed by VARA to carry out Broker-Dealer Services in the Emirate.

This Broker-Dealer Services Rulebook applies in addition to all other requirements in the Regulations as may be in force from time to time. As such, VASPs Licensed by VARA to carry out Broker-Dealer Services must also comply with the following Rulebooks applicable to all VASPs—

1. Company Rulebook;
2. Compliance and Risk Management Rulebook;
3. Technology and Information Rulebook;
4. Market Conduct Rulebook; and
5. All Rulebooks specific to the VA Activities that a VASP is Licensed by VARA to carry out.

For the avoidance of doubt, where a VASP is Licensed by VARA to carry out other VA Activities in the Emirate in addition to Broker-Dealer Services, it must comply with all Rulebooks which apply to those other VA Activities. Unless otherwise stated, the Rules in VA Activity specific Rulebooks apply cumulatively for each VA Activity a VASP carries out.

Capitalised terms in this Broker-Dealer Services Rulebook have the meanings ascribed to them in the Regulations or as otherwise provided in Schedule 1.

Part I – Policies, Procedures and Public Disclosures

A. Policies and procedures

1. In addition to all other requirements in the Regulations and Rulebooks, VASPs providing Broker-Dealer Services shall establish, implement and enforce appropriate written internal policies and procedures relating to the following—
 - a. the prohibition, detection, prevention and/or deterrence of Market Offences and any other abusive practices within their business or using their services including, but not limited to, relevant internal rules, compliance programmes, sanctioning policies and powers;
 - b. execution and routing of client orders;
 - c. the ability of clients to have access to and withdraw their Virtual Assets including, but not limited to, during periods of high uncertainty and/or extreme volatility; and
 - d. such other policies and procedures as VARA may require from time to time.
2. VASPs providing Broker-Dealer Services shall assess and, in any case, at least yearly review the effectiveness of their policies and procedures and take appropriate measures to address any deficiencies.

B. Public disclosures

1. VASPs providing Broker-Dealer Services shall publish on their website in a prominent place or make available by other publicly accessible means—
 - a. a detailed description of any actual or potential conflicts of interest arising out of their activities, and how these are managed;
 - b. their policies and procedures relating to data privacy, whistleblowing and handling of client complaints;
 - c. a summary containing the following information pertaining to each Virtual Asset offered by the VASP—
 - i. name and symbol;
 - ii. date of issuance;
 - iii. market capitalisation and fully diluted value;

- iv. circulating supply, including as a percentage of maximum total supply (if applicable);
 - v. whether the Virtual Asset has been subject to an independent smart contract audit and the date of the most recent audit;
 - vi. highest and lowest price including when each occurred, stated as both an absolute amount and a percentage change from the current price; and
 - vii. largest reduction in price from high to low, stated as both an absolute amount and a percentage change, during any day, month and year and including when each occurred;
- d. a description of how the VASP determines the prices of the Virtual Assets it quotes to clients;
 - e. a description of the VASP's routing practices, including if twenty percent (20%) or more of client orders are routed to any liquidity source and if so, the identity of such source(s);
 - f. a statement as to whether the VASP holds or maintains funds or Virtual Assets or provides clearing services for other VASPs providing Broker-Dealer Services and if so, include a description of those services;
 - g. a statement as to the VASP's arrangements for the protection of clients' ownership of assets held by the VASP;
 - h. a statement of whether the VASP refers or introduces clients to other Entities including, but not limited to, other VASPs and, if so, a description of the terms of such arrangements and the monetary or non-monetary benefits received by the VASP, including by way of reciprocation for any service or business; and
 - i. a statement of whether the VASP has accounts, funds or Virtual Assets maintained by a third party and if so, provide the identity of that third party.
2. Other disclosable matters. To the extent permissible under applicable laws, VASPs providing Broker-Dealer Services shall publish on their website or by other publicly accessible means—
- a. details of any past convictions or prosecutions of any member(s) of their Senior Management or Board, whether before the courts of the UAE or the courts of another jurisdiction; and

- b. any such other information relating to their business or activities as VARA may reasonably require.
3. The disclosure requirements set out in this Rule I.B of the Broker-Dealer Services Rulebook are in addition to all disclosures required under the Market Conduct Rulebook and to all notifications to VARA required under the Compliance and Risk Management Rulebook.

Part II – Trading and Execution Rules

A. Best Execution

1. VASPs must exercise reasonable diligence to Execute each client order to buy or sell one or more Virtual Assets that it receives so as to obtain the most favourable price for the client under the prevailing market conditions, provided that due consideration is also given to costs, speed, likelihood of Execution and settlement, size, nature or any other consideration relevant to the Execution of the order to ensure the best possible result for the client.
2. Rule II.A.1 of this Broker-Dealer Services Rulebook applies to the handling of all orders to buy or sell one or more Virtual Assets, except in the following two scenarios (provided that both sub-conditions thereunder are met in either scenario)—
 - a. the client making the order to buy or sell one or more Virtual Assets is another VASP that has already secured a VARA Licence, and that shall be the responsible Entity to its end client for the instruction (for the purposes of this Rule II.A.2.a only, "**VASP-A**"), and—
 - i. such VASP-A has specifically asked the VASP carrying out Broker-Dealer Services that is receiving the order (for the purposes of this Rule II.A.2.a only, "**VASP-B**") to provide it with a quote to Execute at the discretion of VASP-B; and
 - ii. such VASP-B does not satisfy the order by dealing as principal; or
 - b. the client making the order to buy or sell one or more Virtual Assets is a Qualified Investor or an Institutional Investor, and—
 - i. the client has specifically asked the VASP carrying out Broker-Dealer Services to provide it with a quote to Execute, and has authorised the VASP to do so at the VASP's professional discretion; and
 - ii. the VASP carrying out Broker-Dealer Services does not satisfy such client order by dealing as principal with the client making the order.
3. VASPs shall have written controls in place to ensure that the best Execution standard in Rule II.A.1 of this Broker-Dealer Services Rulebook is met and that any conflicts of interest either

- between competing client orders or between client orders and the interests of the VASP are managed appropriately.
4. Among the factors that will be considered in determining whether a VASP has taken steps to obtain the best possible result for the purposes of Rule II.A.1 of this Broker-Dealer Services Rulebook are—
 - a. the characteristics of the Market for the Virtual Asset (e.g. price, spreads, volatility, relative liquidity, and pressure on communications);
 - b. the size and type of transaction;
 - c. the number of Markets or other sources of liquidity checked;
 - d. accessibility of quotes to trade in the Virtual Asset(s) in question under the market conditions prevailing at the relevant time, noting that, even in the event that certain sources of liquidity are not available, VASPs are not relieved from taking reasonable steps and employing their market expertise in seeking to achieve the best Execution of client orders; and
 - e. the terms and conditions of the order which result in the transaction, as communicated to the VASP.
 5. Where a VASP Executes a client order off-Market by trading with another VASP or another third party, the burden of demonstrating compliance with the best Execution standard set out in Rule II.A.1 of this Broker-Dealer Services Rulebook shall remain with the VASP.
 6. When Executing client orders, VASPs shall disclose to their clients, both prior to Execution and in the trade confirmation, the portion of the amount payable by the client that is retained by the VASP as fees or commission for the trade, except where a VASP provides another VASP, a Qualified Investor or an Institutional Investor with a quote to Execute at the VASP's discretion under Rule II.A.2 of this Broker-Dealer Services Rulebook.
 7. VASPs shall not pay or receive any monetary or non-monetary benefit, including by way of reciprocation for any service or business, to any third party in respect of its Execution services provided to a client, except for necessary service fees required to Execute the client's order. In particular, VASPs shall not receive any remuneration, discount or non-monetary benefit for routing clients' orders to a particular trading venue or to another Entity. Any fees payable by or

to another VASP or other third party shall be structured in such a way so as not to give rise to conflicts of interest in respect of the Execution of client orders.

8. For the avoidance of doubt, failure to maintain or adequately resource a department assigned to Execute clients' orders cannot be considered justification for not complying with the Execution requirements in this Part II of the Broker-Dealer Services Rulebook.
9. A VASP through which an order is channelled and that knowingly is a party to an arrangement whereby the initiating VASP has not fulfilled its obligations under this Part II of the Broker-Dealer Services Rulebook, will also be deemed to have violated this Part II.
10. If a VASP receives an unsolicited instruction from a client to route that client's order to a particular Market or counterparty for Execution, the VASP is not required to make a best Execution determination beyond the client's specific instruction, provided that the VASP processes the client's order promptly in accordance with its terms.
11. Where a client has directed that an order be routed to another specific VASP that is also Licensed by VARA, the receiving VASP to which the order was directed is required to meet the requirements in this Part II of the Broker-Dealer Services Rulebook with respect to its handling of the order.
12. Each VASP must document its compliance with its policies and procedures related to its selection of the best Market for a Virtual Asset, including how to Execute client orders where there is an absence of pricing information, an absence of drivers or valuation factors behind such prices, or multiple quotations.
13. No VASP can delegate to another Entity responsibility to provide best Execution to its client's orders. VASPs that route client orders to other Entities for Execution on an automated, non-discretionary basis, as well as VASPs that internalise client order flows, must review (at least quarterly) the quality of Execution received by their clients, with reference to how such Execution quality compares with the Execution quality the VASP may have obtained from other Markets or sources of liquidity. In conducting each such reviews, VASPs must determine whether any material differences in Execution quality exist among the Virtual Assets trading and, if so, modify their routing arrangements or justify why they are not modifying their routing arrangements.

14. VASPs that route their order flows to another Entity that has agreed to handle that order flow as agent for the client can rely on that Entity's regular and rigorous review, as long as the rationale of the review is fully disclosed to the originating VASP.
15. VASPs shall develop, implement and maintain systems to ensure that their systems have the capacity and capabilities to Execute client orders received through such systems or such other means as may be agreed with clients from time to time.
16. VASPs must notify clients with whom they have an ongoing relationship of any material changes to their order Execution arrangements or their Execution policy.

B. Dealing as principal

1. VASPs shall be permitted to deal as principal (including as riskless principal) for the purpose of satisfying client orders, placing of Virtual Assets and/or managing the VASP's inventory of Virtual Assets and other assets, subject to complying with the best Execution standard set out in Rule II.A.1 of this Broker-Dealer Services Rulebook above.
2. For the avoidance of doubt, it is prohibited for a VASP, when dealing as principal or otherwise, to use or otherwise deal in Client Money or Client VAs except as expressly permitted under Parts IV and V of the Compliance and Risk Management Rulebook.

C. Advisory Services

1. VASPs providing Broker-Dealer Services may carry out Advisory Services in the Emirate, provided that they shall—
 - a. continue to hold, and to comply with all requirements of, their Licence to carry out Broker-Dealer Services;
 - b. comply with all Capital and Prudential Requirements in the Company Rulebook that apply to Advisory Services in addition to those required for Broker-Dealer Services; and
 - c. comply with the Advisory Services Rulebook in respect of all Advisory Services.

Part III – Margin Trading Rules

A. Compliance with Margin Trading rules

1. VASPs may only provide Margin Trading services if explicitly authorised to do so by VARA and such authorisation is expressly stipulated in their Licence.
2. VASPs that are authorised to provide Margin Trading services, must comply with this Part III of the Broker-Dealer Services Rulebook at all times when providing Margin Trading services.
3. VASPs must ensure that they have sufficient assets to provide Margin Trading services in order that they can fully satisfy client obligations, at all times.

B. VARA approval and powers

1. VARA may approve an application for the provision of Margin Trading services, provided that the VASP can demonstrate, to VARA's satisfaction, compliance with the following requirements—
 - a. the VASP has submitted for VARA's approval details of the terms and conditions upon which it proposes to offer Margin Trading services to clients, including a copy of the template Margin Trading Agreement to be used by the VASP, together with information relating to the VASP's financial condition and compliance with all Capital and Prudential Requirements applicable to the VASP;
 - b. the VASP has established, and is able to demonstrate to VARA upon request, appropriate policies and procedures as well as systems and controls with regards to Margin Trading services, which shall include but not be limited to—
 - i. the Margin which may be called, the applicable Margin rates and the method of calculating the Margin;
 - ii. the acceptable methods of Margin payment and forms of collateral;
 - iii. the circumstances under which a client or counterparty may be required to provide Margin and additional Margin, and the consequences of a failure to meet a Margin call, including the actions which the VASP may be entitled to take; and
 - iv. applicable escalation procedures where a client or counterparty fails to meet Margin calls; and

- c. the VASP ensures, and is able to demonstrate to VARA upon request, that Virtual Assets collected as collateral for Initial Margin and Maintenance Margin purposes are liquid and can be liquidated within a reasonable timeframe.
2. VARA may request to inspect the Margin Trading system of the VASP used to calculate clients' Margin Trading positions and Margin, and prior to granting approval, request any other clarification, information or documents it deems necessary.
3. Notwithstanding a VASP having approval from VARA for the provision of Margin Trading, VARA shall have the power to instruct VASPs to take any of the following actions, in its sole and absolute discretion from time to time, and VASPs must comply with such instructions—
 - a. suspend Margin Trading services for specified Virtual Assets or clients;
 - b. close existing client positions; and
 - c. increase Initial Margin and/or Maintenance Margin requirements.

C. Margin Trading obligations

1. Without prejudice to any other obligations, VASPs providing Margin Trading services shall—
 - a. obtain information from each client prior to opening a Margin Trading Account to determine whether the Margin Trading service is suitable for a particular client, including but not limited to such information on the client's financial position (including financial solvency), investment objectives, risk appetite, knowledge and experience in trading in Virtual Asset markets as may be relevant and practical;
 - b. ensure that each client's Margin Trading Account is segregated from all other trading accounts;
 - c. only use all Virtual Assets and/or cash balance in the Margin Trading Account as collateral for Margin Trading in accordance with the terms of the Margin Trading Agreement;
 - d. not to utilise the funds of any client to provide the facilities of Margin Trading to another client, even if the client's consent has been obtained by the VASP;
 - e. ensure that each client has deposited the Initial Margin in the Margin Trading Account, in accordance with the agreed value, prior to the purchase of any Virtual Assets financed on Margin;

- f. ensure that, if a client has more than one (1) Margin Trading Account with the VASP, that all risk limits are monitored and maintained at the client level;
- g. provide each client with a written statement of account at least monthly showing the trading movement of the Virtual Assets financed on Margin and the percentage of their ownership in the Margin Trading Account relative to any Virtual Assets, cash or other assets held as Maintenance Margin;
- h. monitor on an ongoing basis the Margin Trading Account of each client and provide at least one (1) early warning notification to a client that the percentage of the client's ownership in that account has fallen to a specified percentage and is at risk of falling below the required level of Maintenance Margin specified in the Margin Trading Agreement. The specified percentage at which such early warning notification must be given may be determined by the VASP acting in the best interests of its clients. Such notification must include a full re-statement of the risks required to be stated in the Margin Trading Agreement in Rule III.E.1.d of this Broker-Dealer Services Rulebook below;
- i. in addition to Rule III.C.1.h of this Broker-Dealer Services Rulebook above, monitor on an ongoing basis the Margin Trading Account of each client and notify the client promptly when the percentage of the client's ownership in that account falls below the required level of Maintenance Margin specified in the Margin Trading Agreement, so that they can cover the shortfall in the account, subject to Rule III.C.1.j of this Broker-Dealer Services Rulebook below;
- j. in the event that the client is not themselves able to remedy the shortfall within a reasonable timeframe, sell all or some of the Virtual Assets available in the Margin Trading Account to the extent required to restore the client's percentage of ownership to the Maintenance Margin (or such higher level as may be set out in the Margin Trading Agreement) as per the market value of such Virtual Assets on the date of sale;
- k. obtain the prior approval of VARA on any subsequent amendment to the Margin Trading system described in Rule III.B.2 of this Broker-Dealer Services Rulebook above, and provide a technical report confirming that the amended system is able to fulfil the

requirements of the Margin Trading service on an ongoing basis, including during times of high volatility; and

- I. ensure that orderly records are kept for the Margin Trading services undertaken by them for a period of at least eight (8) years.

D. Prudential requirements, Initial Margin and Maintenance Margin

1. VASPs authorised by VARA to provide Margin Trading services shall—
 - a. ensure that the aggregate funds allocated for Margin Trading services by the VASP are included in the VASP's calculation of its Operational Exposure; and
 - b. ensure that the amount of credit extended to a single client for Margin Trading does not exceed one tenth of the total funds directly or indirectly attributable to Margin Trading by the VASP in its Operational Exposure, in accordance with Rule III.D.1.a of this Broker-Dealer Services Rulebook above.
2. VASPs may only accept the following types of collateral in a Margin Trading Account—
 - a. the Virtual Asset financed on Margin in that account;
 - b. fiat currency; and
 - c. Virtual Asset referencing USD or AED, as approved by VARA.
3. Notwithstanding Rule III.D.2 of this Broker-Dealer Services Rulebook, VASPs may accept the following types of collateral in a Margin Trading Account in the following circumstances—
 - a. other Virtual Assets where there is a continuing fall in the market value of the Virtual Asset financed on Margin; and
 - b. other Virtual Assets where trading in the Virtual Asset financed on Margin is suspended or discontinued for more than seven (7) Working Days or such other period prescribed by VARA.

E. Margin Trading Agreement

1. The Margin Trading Agreement must include the following information—
 - a. an explanation of the VASP's responsibilities and the respective obligations of the VASP and the client including, but not limited to, termination rights, the effect of termination, applicable dispute resolution mechanisms and the VASP's obligation to provide an early

- warning notification under Rule III.C.1.h of this Broker-Dealer Services Rulebook including when such notifications will be provided;
- b. whether the client has the right to withdraw cash from the Margin Trading Account, transfer amounts from the Margin Trading Account to the other account, or use such funds for new Margin financing if these amounts are higher than the Maintenance Margin;
 - c. how all financing is calculated, including but not limited to how and when it is paid or payable, the applicable rate, or in the case of a variable rate, how it is calculated and how it may vary and how such variations will be communicated by the VASP to the client;
 - d. an explanation of the following risks the client may be exposed to when undertaking Margin Trading, including but not limited to—
 - i. the risk that the client may lose all or part of the funds deposited in the Margin Trading Account;
 - ii. the fact that the VASP may request that the client add Virtual Assets and/or funds in the Margin Trading Account if the Maintenance Margin falls below the prescribed levels or if the VASP increases Maintenance Margin requirements;
 - iii. the right of the VASP to sell all or part of the Virtual Assets in the Margin Trading Account if the Maintenance Margin falls below the percentage specified in the Margin Trading Agreement; and
 - iv. when and how the VASP may sell all or part of the Virtual Assets in the Margin Trading Account;
 - e. express consent from the client that they understand, acknowledge and accept each of the risks listed in Rule III.E.1.d of this Broker-Dealer Services Rulebook above;
 - f. the applicable levels of Initial Margin and Maintenance Margin and circumstances in which Initial Margin and Maintenance Margin can be amended by the VASP;
 - g. a breakdown of the commissions, charges and fees charged by the VASP relating to Margin Trading and when they are payable;
 - h. a confirmation of the client's right to pay the cash balance of the price of the remaining Virtual Assets in the Margin Trading Account at any time; and

- i. the fact that in certain situations the position of the client may be liquidated, and that following such liquidation the client may be required to make an additional payment to the VASP.
2. VARA may require any amendments to the Margin Trading Agreement or other forms relating to Margin Trading conducted by a VASP as it deems appropriate.

Part IV - Licensed Distribution Services Rules

A. Compliance with Licensed Distribution Services rules

1. VASPs that have a Licence from VARA to carry out Broker-Dealer Services must comply with this Part IV of the Broker-Dealer Services Rulebook, at all times, when providing Licensed Distribution Services.
2. All Rules in this Part IV of the Broker-Dealer Services Rulebook apply in addition to all other requirements in the Regulations and Rulebooks, as may be in force from time to time. In the event of a conflict, the Rules in this Part IV of the Broker-Dealer Services Rulebook shall have precedence in respect of Licensed Distribution Services only.
3. VARA shall, in its sole and absolute discretion, have the power to instruct a VASP to take any of the following actions, from time to time, and the VASP shall comply with such instructions—
 - a. suspend Licensed Distribution Services for specified Virtual Assets, Issuers or clients; or
 - b. cease Licensed Distribution Services for specified Virtual Assets, Issuers or clients.

B. Licensed Distribution Services obligations and responsibility

1. Responsibility. VASPs providing Licensed Distribution Services must ensure beyond all reasonable doubt, the quality of all Issuers and Virtual Assets for which it provides Licensed Distribution Services.
2. Quality, as referred to in Rule IV.B.1, shall include, but not be limited to all factors relevant to assurance of the following—
 - a. consumer protection and preventing harms arising from misinformation and/or abusive practices, ensuring consumers are appropriately informed and have provided consent prior to engaging with risk;
 - b. full FATF and financial sanctions compliance, and zero tolerance of money laundering, financing of terrorism or destructive proliferation activities;
 - c. zero tolerance of any fraud, theft or other illicit or criminal activity;
 - d. fair, orderly and transparent markets, including full compliance with VARA's Market Offences as defined in the Regulations;

- 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.
3. Due diligence and assessment of Virtual Assets. VASPs providing Licensed Distribution Services shall carry out comprehensive due diligence on each Virtual Asset for which it provides Licensed Distribution Services, in order to ensure the quality of such Virtual Asset, in compliance with Rule IV.B.1. Such due diligence shall include, but not be limited to, the following—
- a. that the Virtual Asset complies with the VASP's VA Standards;
 - b. that the Whitepaper complies with Part III.B of the VA Issuance Rulebook;
 - c. that the Risk Disclosure Statement complies with Part III.C of the VA Issuance Rulebook;
 - d. compliance with Part IV of the Market Conduct Rulebook in regard to investor classifications; and
 - e. all smart contracts used for the purposes of the Virtual Asset have undergone comprehensive audits of their effectiveness, enforceability and robustness and that all findings from such audits have been satisfactorily remediated.
4. Due diligence and assessment of Issuer. VASPs providing Licensed Distribution Services shall carry out comprehensive due diligence on all Issuers to whom they provide Licensed Distribution Services to ensure the quality of the Issuer, in compliance with Rule IV.B.1. Such due diligence shall include, but not be limited to, the following—
- a. that the Issuer complies with Part II of the VA Issuance Rulebook; and
 - b. the VASP meets its requirements under Part III.E – Client due diligence of the Compliance and Risk Management Rulebook.
5. Disclaimer. VASPs must ensure that all documentation, including all Whitepapers, relating to Virtual Assets for which it provides Licensed Distribution Services contains the following disclaimer:
- a. *'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.'*

C. Relationship with the Issuer

1. Written agreements. VASPs must have written Client Agreements with all Issuers to whom they provide Licensed Distribution Services in compliance with Part II of the Market Conduct Rulebook.
2. Conflicts of interest. In addition to all existing requirements in Part II.C of the Company Rulebook, VASPs providing Licensed Distribution Services must have, and implement written controls to prevent, monitor, manage and disclose any conflicts of interest when providing Licensed Distribution Services. Such controls must address, but not be limited to—
 - a. the pricing of the initial placement or distribution of all Virtual Assets; and
 - b. conditions on which the VASP may receive an allocation of, or purchase, the Virtual Assets including for the purposes of dealing as principal, making a market, or by way of remuneration for the VASPs services.

D. Submissions to VARA

1. VASPs providing Licensed Distribution Services must submit the following documents (in the form prescribed by VARA on its website from time to time) in respect of all Virtual Assets for which it provides Licensed Distribution Services—
 - a. the Whitepaper;
 - b. the Risk Disclosure Statement;
 - c. a declaration, signed by the VASP, of its compliance with Rule IV.B.1 of this Broker-Dealer Services Rulebook; and
 - d. reports on the due diligence carried out under Rules IV.B.3 and IV.B.4 of this Broker-Dealer Services Rulebook.
2. Starting from the first Working Day after the submissions required under Rule IV.D of this Broker-Dealer Services Rulebook are made, a submission period of fifteen (15) Working Days shall commence ("**Submission Period**").
3. No Virtual Asset may be distributed or placed prior to completion of the Submission Period.

4. If a VASP has not received any comment or objection from VARA during the Submission Period , the VASP may distribute or place the Virtual Assets for which such submissions were made.
5. In addition, and without prejudice, to all of VARA's existing powers of suspension and/or other enforcement actions contained in the Regulations or Rulebooks, VARA may comment on or object to the distribution or placement of any Virtual Asset during the Submission Period.
6. Upon receipt of such comment or objection, the VASP providing Licensed Distribution Services must not distribute or place the Virtual Assets for which such submissions were made until all such comments have been addressed and/or objections remedied, to VARA's satisfaction.
7. For the avoidance of doubt, in no event shall VARA be deemed to have approved any Virtual Asset or Licensed Distribution Services by virtue of a VASP's compliance with Rules IV.D.1 and IV.D.2 of this Broker-Dealer Services Rulebook, including, but not limited to, in the event of the expiry of the Submission Period without comment or objection from VARA.

E. Ongoing obligations, monitoring and notification

1. Monitoring. VASPs providing Licensed Distribution Services must ensure that all due diligence carried out under Rules IV.B.3 and IV.B.4 remains up-to-date and accurate at all times during which the VASP is providing Licensed Distribution Services to the Issuer and/or in respect of the relevant Virtual Asset.
2. VASPs must immediately suspend and/or cease any Licensed Distribution Services in relation to any Virtual Asset if the VASP knows, or has reason to suspect, the Virtual Asset no longer complies with Rule IV.B of this Broker-Dealer Services Rulebook.
3. In the event of any material change to an Issuer or a Virtual Asset, including but not limited to any factors listed in Rule IV.B.2, for which a VASP provides Licensed Distribution Services, the VASP must—
 - a. immediately carry out the due diligence required under Rules IV.B.3 and IV.B.4 of this Broker-Dealer Services Rulebook including in respect of all changes since due diligence was last completed;
 - b. suspend all Licensed Distribution Services immediately upon becoming aware of the Issuer or Virtual Asset not satisfying Rule IV.B; and

- c. comply with Rule IV.D including in respect of all changes since the last submission to VARA was made in accordance with Rule IV.D of this Broker-Dealer Services Rulebook.

Schedule 1 – Definitions

Term	Definition
"Advisory Services"	has the meaning ascribed to it in Schedule 1 of the Regulations.
"Advisory Services Rulebook"	means the Advisory Services Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Board"	has the meaning ascribed to it in the Company Rulebook.
"Broker-Dealer Services"	has the meaning ascribed to it in Schedule 1 of the Regulations.
"Broker-Dealer Services Rulebook"	means this Broker-Dealer Services Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Capital and Prudential Requirements"	has the meaning ascribed to it in the Company Rulebook.
"Client Agreements"	has the meaning ascribed to it in the Market Conduct Rulebook.
"Client Money"	has the meaning ascribed to it in the Compliance and Risk Management Rulebook.
"Client VAs"	has the meaning ascribed to it in the Compliance and Risk Management Rulebook.
"Company Rulebook"	means the Company Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"Compliance and Risk Management Rulebook"	means the Compliance and Risk Management Rulebook issued by VARA pursuant to the Regulations, as may be amended from time to time.
"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.
"Execute" or "Execution"	means the exercise of a client order that results in a binding transaction.

Term	Definition
"Initial Margin"	<p>means the minimum value of assets which must be deposited by the client in the Margin Trading Account, or otherwise available in the Margin Trading Account but not committed to an existing Margin Trading position, prior to the client opening any new Margin Trading position, which shall be calculated as follows—</p> <p>(a) for Retail Investors—</p> <ul style="list-style-type: none"> i. a minimum of twenty percent (20%) of the notional position value of the new Margin Trading position; or ii. such greater amount as VARA may require for a specific VASP, Virtual Asset or client, from time to time; and <p>(b) for Qualified Investors and Institutional Investors—</p> <ul style="list-style-type: none"> i. such amounts as determined by the VASP's policy; or ii. such greater amount as VARA may require for a specific VASP, Virtual Asset or client, from time to time.
"Institutional Investor"	has the meaning ascribed to it in the Market Conduct Rulebook.
"Issuer"	has the meaning ascribed to it in the Regulations.
"Licence"	has the meaning ascribed to it in the Regulations.
"Licensed"	means having a valid Licence.
"Licensed Distribution Services"	<p>means providing placement, distribution and/or other issuance related services to Issuers of Virtual Assets.</p> <p>For the purposes of this definition, "issuance related services" may include end-to-end solutions for the creation, placing, distribution and marketing conducted by a VASP for or on behalf of the Issuer as well as the actual sale or placement of any Virtual Assets, or any combination thereof.</p>
"Maintenance Margin"	means the value of assets which must be deposited by the client in the Margin Trading Account, or otherwise available in the Margin Trading

Term	Definition
	Account but not committed to an existing Margin Trading position, to keep a Margin Trading position open.
"Margin"	means the Initial Margin and any Maintenance Margin provided by a client.
"Margin Trading"	means the financing made by a VASP of a proportion or multiple of the market value of the Virtual Assets financed on margin, and secured as collateral by the Virtual Assets available in the Margin Trading Account or any other collateral in the cases exclusively stated in these Rules.
"Margin Trading Account"	means a type of client account with the VASP, through which dealings in Virtual Assets financed on Margin are executed.
"Margin Trading Agreement"	means the agreement between the VASP and the client specifying the terms and conditions governing the relationship between them in relation to Margin Trading.
"Market"	<p>means a variety of different venues, including but not limited to, market centres that are trading a particular Virtual Asset*.</p> <p>*This expansive interpretation is meant to inform VASPs providing Broker-Dealer Services as to the breadth of the scope of venues that must be considered in the furtherance of their best Execution obligations and to promote fair competition among VASPs providing Broker-Dealer Services, Exchange Services, as well as any other venue that may emerge, by not mandating that certain trading venues have less relevance than others in the course of determining a VASP's best Execution obligations.</p>
"Market Conduct Rulebook"	means the Market Conduct Rulebook issued by VARA pursuant to the Regulations, as may be amended VARA from time to time.
"Market Offences"	has the meaning ascribed to it in the Regulations.
"Operational Exposure"	has the meaning ascribed to it in the Company Rulebook.
"Qualified Investor"	has the meaning ascribed to it in the Market Conduct Rulebook.

Term	Definition
"Regulations"	means the Virtual Assets and Related Activities Regulations 2023, as may be amended from time to time.
"Retail Investor"	has the meaning ascribed to it in the Market Conduct Rulebook.
"Risk Disclosure Statement"	has the meaning ascribed to it in the VA Issuance Rulebook.
"Rule"	has the meaning ascribed to it in the Regulations.
"Rulebook"	has the meaning ascribed to it in the Regulations.
"Senior Management"	has the meaning ascribed to it in the Company Rulebook.
"Submission Period"	has the meaning ascribed to it in Rule IV.D.2 of this Broker-Dealer Services Rulebook.
"Technology and Information Rulebook"	means the Technology and Information Rulebook issued by VARA pursuant to the Regulations, as may be amended VARA from time to time.
"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 the Virtual Asset Issuance Rulebook issued by VARA pursuant to the Regulations, as may be amended or supplemented by VARA from time to time.
"VA Standards"	has the meaning ascribed to it in the Market Conduct Rulebook.
"VARA"	means the Dubai Virtual Assets Regulatory Authority.
"VASP"	means an Entity authorised by VARA to conduct VA Activity(ies) in the Emirate.
"Virtual Asset" or "VA"	has the meaning ascribed to it in the Dubai VA Law.
"Whitepaper"	has the meaning ascribed to it in the VA Issuance Rulebook.
"Working Day"	has the meaning ascribed to it in the Regulations.