

VARA Offers Provisional License: Hopes to Flourish in a Regulated Environment

An Analysis by Adv. P.M. Mishra, Finjuris Counsel FZ-LLC, UAE



Dubai, United Arab Emirates Aug 18, 2022 ([Issuewire.com](https://www.issuewire.com)) - Dubai time and again proves to be a digital asset-friendly nation. Therefore, Dubai Virtual Assets Regulatory Authority (VARA) has been the talk of the town ever since it came into existence for being one of the first countries to develop a comprehensive structure for the regulation of digital assets. For those who are unfamiliar with VARA, it is a separate entity within the Dubai World Trade Centre Authority that is in charge of overseeing the regulation, governance, and licensing of cryptocurrencies, NFTs, and other virtual assets. The main objectives of VARA include monitoring and evaluating virtual asset trading, regulating the issuance of new cryptocurrency tokens, ensuring that stringent protection requirements are in place, and keeping track of transactions. The VARA is also responsible for the transfer of virtual assets, management services, exchange services, administering virtual asset platforms, and virtual asset custody.

It is also the world's first regulatory authority to have its presence on Metaverse. VARA, as the world's first regulator to make its breakthrough in the Metaverse, aims to guarantee that the regulator is accessible to its industry in their environment, as well as to enhance cooperative engagement among global Virtual Asset Service Providers. As economic competition in the Gulf region heats up, the United Arab Emirates (UAE) has been pushing for the development of virtual asset regulation in order to attract new forms of business.

OKX, a cryptocurrency trading app, announced last month that the Dubai Virtual Assets Regulatory Authority had granted it a provisional virtual assets license. OKX's Dubai provisional license allows it to

offer specific exchange products and services to pre-qualified investors and financial service providers. VARA granted Binance, the world's largest cryptocurrency exchange, a virtual assets licence in March. CoinMENA, a Sharia-compliant digital asset exchange company licenced and regulated by the Central Bank of Bahrain, has also obtained a provisional virtual assets licence from Dubai's Virtual Assets Regulatory Authority (VARA) to continue operations in Dubai while it goes through the in-depth process of applying for a licence, as required by VARA.

“Dubai is a trendsetter in virtual asset regulation, and it is quickly growing into one of the world's leading hubs for the industry,” says Adv. P.M. Mishra. The provisional license issued by VARA is the latest in a long line of accomplishments for the regulatory body. This creates a secure and innovative environment for businesses to flourish.

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