

Cabinet Resolution No. (99) of 2024
Concerning the List of Violations and Administrative Penalties for Acts
Violating the Provisions of Cabinet Resolution No. (111) of 2022
Regulating Virtual Assets and its Service Providers

The Cabinet,

- Having reviewed the Constitution; and
- Federal Law No. (4) of 2000, Concerning the Emirates Securities and Commodities Authority and Market, and any amendments thereto; and
- Cabinet Resolution No. (111) of 2022, Regulating Virtual Assets and its Service Providers; and
- Based upon the proposals and recommendation submitted by the Minister of Finance, and the Cabinet's approval,

Has resolved as follows:

Article (1)

Definitions

In application of the provisions of this Resolution, the words and expressions set forth herein shall bear the meanings ascribed to them, unless the context otherwise requires:

State	: United Arab Emirates.
Authority	: Securities and Commodities Authority (SCA).
Chairman	: Chairman of the Authority's Board of Directors.
Local Licensing Authority	: The concerned Local Authority regulating virtual assets in the concerned Emirate.
Cabinet Resolution	: Cabinet Resolution No. (111) of 2022, Regulating Virtual Assets and Its Service Providers.

Rulebook : Regulations Manual of the Financial Activities approved pursuant to Authority's Chairman Resolution No. (13/R.M) of 2021 and their amendments.

Virtual Asset Service Providers (VASPs) : Any legal person engaged in one or more activities associated with VA or related operations for or on behalf of another person, such as Virtual Asset Platform Operator (VAPO), VA Broker, or VA Custodian, and any other activities in accordance with the provisions of the Cabinet Resolution.

Article (2)

Enforcement of the Resolution

The provisions of this Resolution shall apply to anyone who commits any of the acts that occur in violation of the provisions of the Cabinet Resolution and the Resolutions issued pursuant thereto.

Article (3)

Administrative Penalties

1. SCA or the Local Licensing Authority – as the case may be – may impose one or more penalties on anyone who commits any of the acts that occur in violation of the provisions of the Cabinet Resolution and the Resolutions issued pursuant thereto, in accordance with the penalties and gradation specified in the table attached to this Resolution.
2. The Violator shall bear the expenses and costs of removing and addressing the damages resulting from the violation if he does not remove or address it.
3. SCA or the Local Licensing Authority – as the case may be – may refer the Violator of the provisions of the Cabinet Resolution to the Public Prosecution if the violation constitutes one of the crimes punishable by law.

4. SCA or the Local Licensing Authority – as the case may be – whenever the incident in question is related to formal procedures or as it deems appropriate, shall issue a warning to the Violator and direct him to correct and avoid repeating the violation in the future. In the event that the violation is not corrected within the period specified by SCA or the Local Licensing Authority - as the case may be - the penalty stipulated in accordance with the provisions of this Resolution shall be imposed.
5. The fine imposed by SCA or the Local Licensing Authority – as the case may be – on the violating person shall be paid within the payment deadline set by it. SCA or the Local Licensing Authority – as the case may be – may impose a daily late payment fine of (1,000) one thousand dirhams for each working day of late payment after the specified date, provided that the total late payment fines do not exceed the value of the fine initially imposed.

Article (4)

Amendment of Administrative Penalties

The Cabinet has the power to make any amendments to penalties mentioned herein, whether by addition, deletion or amendment.

Article (5)

Grievance

Anyone with the capacity and interest may file a grievance against the administrative penalty with the authority that imposed the penalty, within (30) thirty days from the date of being notified of the administrative penalty against which the grievance is contested, provided that the grievance is reasoned and accompanied by all documents supporting it. The grievance shall be decided within (30). Thirty days from the date of its submission, in accordance with the procedures in force at that authority. The decision issued in this regard shall be final. non-compliance to respond within the aforementioned period shall be considered a rejection of the grievance.

Article (6)

General Provisions

1. Fines stipulated in this Resolution that are imposed by SCA shall be collected through the methods established by the Ministry of Finance.
2. The fines stipulated in this Resolution and imposed by the Local Licensing Authority shall be collected through the means in force at SCA in accordance with the legislation in force in the Emirate to which it belongs.
3. For the purpose of collecting the Administrative Fine specified in the resolution, a part of a day shall be considered a full day, and a part of a month shall be considered a full month.
4. SCA or the Local Licensing Authority – as the case may be – may take all measures it deems appropriate against the Violator in the event of non-compliance to pay the prescribed fine or non-compliance to correct the violation within the period specified in the Resolution issued concerning the violation.
5. The provisions of this Resolution shall not prejudice SCA or the Local Licensing Authority to impose any penalties or other measures or oblige the Violator to pay the losses incurred by the dealers as a result of the violations committed in accordance with the legislation in force therein.

Article (7)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall enter into force (30) thirty days after the date of its publication.

Mohammed Bin Rashid Al Maktoum

Prime Minister

Issued by Us:

On: 03 Rabi` al-Awwal 1446 A.H.

Corresponding to: 06 September 2024 AD

**Table attached to Cabinet Resolution No. (99) of 2024
Concerning the List of Violations and Administrative Penalties for Acts
Violating the Provisions of Cabinet Resolution No. (111) of 2022
Regulating Virtual Assets and Its Service Providers**

No.	Violation Description	Reference	Administrative Penalties for the First Time	Administrative Penalties for the Second Time	Administrative Penalties for the Third Time	Administrative Penalties for the Fourth Time and more
1	Practising VA activity in the State without obtaining the necessary licence or approvals.	Clause (1) / Article (4) of the Cabinet Resolution.	(500,000) dirhams fine, in addition to closing the headquarters and suspension or preventing the operation of the platform, as the case may be.	(1,000,000) dirhams fine, in addition to closing the headquarters and suspension or preventing the operation of the platform, as the case may be.	(2,000,000) dirhams fine, in addition to closing the headquarters and suspension or preventing the operation of the platform, as the case may be.	(4,000,000) dirhams fine, in addition to closing the headquarters and suspension or preventing the operation of the platform, as the case may be.
2	Not having a headquarters in the State in accordance with one of the legal forms approved by the Local Authorities concerned with commercial licences.	Clause (2) / Article (4) of the Cabinet Resolution.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
3	Non-compliance to obtain initial approvals from SCA or local licensing authorities before initiating licensing procedures from the Local	Clause (3) / Article (4) of the Cabinet Resolution.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine.

	Authorities concerned with commercial licences					
4	Dealing with a person who is engaged in VA activity in the State without a licence.	Clause (4) / Article (4) of the Cabinet Resolution.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine.	(800,000) dirhams fine.
5	Carrying out – whether alone or in collusion with others – any action or dealing that may deceive or mislead investors, including: 1. Carrying out a trading operation/operations on a specific VA, with the aim of deceiving the investor community into believing that there is an active market for this VA, or with the aim of influencing its price (increase, decrease, fix the price) or its trading volume on the platform, or with the aim of influencing the investor Resolution to invest or not. 2. Entering and/or amending and/or cancelling an order/orders to buy or sell a specific VA, with the aim of misleading the	Clause (2) / Paragraph One / Article (3) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine.	(800,000) dirhams fine.

	investing public that there is an active market for this VA, or with the aim of influencing its price or trading volume on the platform, or with the aim of influencing the investor decision to invest or not					
6	Exploitation by a person – either alone or in collusion with others – of information about investors' orders to achieve personal benefits for himself or for others.	Clause (2) / Paragraph One / Article (3) of the Chairman of the Board of Directors' Resolution SCA Board of Directors Resolution No. (26/R.M) of 2023 Regulating VAPO.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine.	(800,000) dirhams fine.
7	VAPO non-compliance to perform the assigned tasks.	Article (4) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.

		Regulating VAPO.				
8	VAPO non-compliance to comply with operational efficiency and flexibility.	Paragraph One / Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
9	VAPO non-compliance to establish operational rules in accordance with the requirements.	Paragraph Two / Article (5) of the Chairman Resolution SCA Board of Directors Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence.
10	(1,000,000) dirhams fine and cancellation of the licence, or one of these two penalties.	(800,000) dirhams fine and suspension from practising the activity for a period not	(400,000) dirhams fine.	(200,000) dirhams fine.	Paragraph Three / Article (5) of SCA Board of Directors Chairman Resolution No. (26/ R.M) of 2023	VAPO non-compliance to comply with integrity, transparency and professional conduct.

		exceeding one year, or one of these two penalties.			Regulating VAPO.	
11	VAPO non-compliance to protect and preserve the VA.	Paragraph Four/ Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
12	VAPO non-compliance to provide an effective regulatory system, arrangements and compliance programmes to monitor transactions and dealers, prevent misuse and manipulation of the platform, and prevent misuse of the platform in a manner that contravenes applicable legislation on money laundering crimes, combating the financing of terrorism, financing of illegal organisations and any other financial crimes.	Clause (1) / Paragraph Five/ Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
13	VAPO non-compliance to provide objective, fair and	Clause (4) / Paragraph	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine	(400,000) dirhams fine

	operational policies, rules and procedures for accepting transactions in VA.	Five/ Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.			and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	and cancellation of the licence, or one of these two penalties.
14	VAPO non-compliance to establish rules and procedures for the fair, orderly and efficient operation of trading.	Clause (1) / Paragraph Six/ Article (5) of the Chairman Resolution SCA Board of Directors Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year; Or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
15	VAPO non-compliance to provide adequate arrangements to continuously enhance transparency in the trading and post-trading phase by providing the public with sufficient information about VA.	Clause (2) / Paragraph Six/ Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

16	VAPO non-compliance to provide effective systems, controls, procedures and arrangements to ensure that trading systems are able to handle trading fluctuations.	Clause (3) / Paragraph Six/ Article (5) of SCA Board of Directors Chairman Resolution No. (26/ R.M) of 2023 Regulating Virtual Asset Platform Operator (VAPO).	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
17	VAPO non-compliance to establish a comprehensive policy in the operating rules to address errors resulting from incorrect entry of trading orders or resulting from a malfunction in the operating system, or both.	Clause (4) / Paragraph Six / Article (5) of SCA Board of Directors Chairman Resolution No. (26/ R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
18	VAPO non-compliance to establish clearing and settlement arrangements, controls and procedures to ensure the fulfilment of the rights and obligations arising between the	Clause (5) / Paragraph Six/ Article (5) of SCA Board of Directors Chairman Resolution	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	parties to the transaction executed on the platform.	No. (26/R.M) of 2023 Regulating VAPO.			these two penalties.	
19	VAPO non-compliance to provide procedures Ensures access to its services and facilities only to persons authorized in accordance with legislation, operating rules and/or instructions.	Clause (1) / Paragraph Six / Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine. Suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine. Cancellation of the licence, or one of these two penalties.
20	VAPO non-compliance to provide arrangements and technology that are not less than similar companies in the same field in accordance with international practices.	Clause (2) / Paragraph Seven/ Article (5) of SCA Board of Directors Chairman Resolution No. (26/R.M) of 2023 Regulating VAPO.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
21	VAPO non-compliance to provide any documents or data to SCA within the Paragraph it specifies.	Clause (1) of Article (6) of SCA Board of Directors Chairman	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not	(400,000) dirhams fine and cancellation of the licence, or

		Resolution No. (26/R.M) of 2023 Regulating VAPO.			exceeding one year, or one of these two penalties.	one of these two penalties.
22	VASP non-compliance to classify the Customer as a regular investor, professional investor or counterparty, document and archive the classification procedures, and prepare a classification record for each customer that includes sufficient information about those procedures and supporting documents.	Paragraph (1) / Article (3) / Chapter Two / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
23	Classifying the Customer VASP into more than one category in unauthorised cases.	Paragraph (2) / Article (3) / Chapter Two / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
24	VASP reliance on a third party to classify its customers, whether from within or outside its financial group, without the third party being licensed by SCA, the Central Bank of the UAE,	Paragraph (3) / Article (3) / Chapter Two / Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	or a regulatory authority similar to SCA.				these two penalties.	
25	VASP non-compliance to inform the Customer in the event of the loss of the Professional Investor Conditions as soon as he becomes aware of this and the procedures Actions to be taken by the Customer and the licence holder to address the situation.	Paragraph (4) / Article (3) / Chapter Two / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity For a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence Or one of these two penalties.
26	VASP non-compliance to obtain an annual declaration from the Customer concerning the unchanged nature of its classification-related data, and to update any of that data if it changes for any reason at any time, and its non-compliance to update the classification – in all cases – every (3) three years while retaining all declarations and updates.	Paragraph (5) / Article (3) / Chapter Two / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
27	VASP non-compliance to sign an agreement with the Customer written in Arabic or in both Arabic and English, including at least the information stipulated in Appendix No. (1) of Part Three of the Rulebook and all the Customer obligations and rights, and not including	Paragraph (1) / Article (7) / Chapter Two / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	the financial services provided to him clearly.					
28	VASP non-compliance to comply with the terms and conditions of reliance on the agreement concluded with the Customer and signed with a third party.	Paragraph (2) / Article (7) / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
29	VASP does not meet the suitability and appropriateness criteria for the Customer.	Article (8) / Chapter Two / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
30	VASP non-compliance to convert the Customer account into a dormant account if a period of (3) calendar years – (36) thirty-six months – has passed without any transaction being made on it or the data being updated.	Clause (1) Paragraph One / Article (1) / Chapter Four/ Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
31	VASP non-compliance to inform the Customer – in accordance with his last known address – after (3) years have passed without conducting any	Clause (2) Paragraph One / Article (1) / Chapter Four/ Part	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not	(400,000) dirhams fine and cancellation of the licence, or

	transactions through his account or updating the data completely and correctly of the necessity of updating his data with the licensed entity or dealing with his account within (30) days from the date of notification.	Three of the Rulebook.			exceeding one year, or one of these two penalties.	one of these two penalties.
32	VASP non-compliance to include in the Customer notification the procedures and consequences that will result from its non-compliance to comply with what is required within the specified period as stated in the Rulebook.	Clause (3) Paragraph One / Article (1) / Chapter Four/ Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year Or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
33	VASP non-compliance to classify the Customer account as dormant and refrain from conducting any transactions through that account during the specified period, in accordance with the Rulebook. 33	Clause (1) Paragraph Two / Article (1) / Chapter Four/ Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
34	VASP non-compliance to transfer the Customer balances of securities to the market or depository.	Clause (2) Paragraph Two / Article (1) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.

					these two penalties.	
35	VASP non-compliance to maintain the balances of the Customer cash amounts, and shall be obligated to provide them continuously and not to touch them except upon his instructions or the instructions of SCA or the judicial authorities within the specified period, in accordance with the Rulebook.	Clause (3) Paragraph Two / Article (1) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
36	VASP non-compliance to provide the Customer with the last known address. With a final account statement showing the lack of Sending any other account statement until it is reviewed to activate the account within the specified period, in accordance with the rules booklet	Clause (4) / Paragraph Two / Article (1) / Chapter Four/ Part Three of the Rulebook	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence Or one of these two penalties.
37	VASP non-compliance to identify current and potential conflicts of interest between it and its customers, and between any customer and another, and to work to reduce and manage them in a way that does not negatively affect the Customer interests, while ensuring that all	Paragraph (1) / Article (2) / Chapter Four / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	customers are treated fairly and without bias as a result of conflicts of interest.					
38	VASP non-compliance to disclose the conflict of interest to the Customer in writing either generally or in relation to a specific transaction.	Paragraph (2) / Article (2) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
39	VASP engages in any action that may result in a conflict of interest when providing or executing a financial service to the Customer in the event that the conflict of interest cannot be mitigated and managed in cases of current or potential conflict of interest.	Paragraph (3) / Article (2) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
40	VASP non-compliance to take the necessary measures to prevent partners from exploiting its funds in any way, Whether by withdrawal, financing, transfer or other actions not related to his activity.	Paragraph (4) / Article (2) / Chapter Four / Part Three of the Rulebook	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence or one of these two penalties.
41	VASP non-compliance to make arrangements to mitigate conflicts of	Paragraph (5) / Article (2) /	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension	(800,000) dirhams fine and

	interest by taking the legally prescribed measures described in Paragraph (5) of Article (2) of Chapter Four of Part Three of the Rulebook.	Chapter Four/ Part Three of the Rulebook.			from practising the activity for a period not exceeding one year, or one of these two penalties.	cancellation of the licence, or one of these two penalties.
42	VASP non-compliance to disclose to the ordinary investor the details of any commission or direct or indirect benefits that it will receive from him before recommending a financial product to him, executing any transaction, or providing any financial service, except in cases permitted by law.	Paragraph (4) / Article (4) / Chapter Four / Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
43	VASP forces, motivates, compels or deceives the Customer, directly or indirectly, to provide incentives, commissions, benefits, gifts, grants or the like for its benefit or for the benefit of any of its employees, and its acceptance of any of that in exchange for an obligation or duty on the part of any of them towards the Customer or in exchange for providing services that conflict with any of those obligations or duties, except in cases permitted by law.	Paragraph (1) / Article (5) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.

44	VASP non-compliance to document and archive the procedures that prove its and its employees' compliance with the obligation contained in Paragraph (1) of Article (5) of Chapter Four of Part Three of the Rulebook.	Paragraph (2) / Article (5) / Chapter Four/ Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
45	VASP non-compliance and its employees to practice the financial activity and provide the financial service to the Customer with the care of a careful person due to their experience and expertise by performing the tasks accurately, carefully and attentively without any negligence and taking all reasonable measures in accordance with the surrounding circumstances, acquired experience and future expectations.	Paragraph (1) / Article (6) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
46	VASP non-compliance and its employees to carry out financial activity and job duties in accordance with the terms and conditions on the basis of which the licence and accreditation were issued for employees and in consideration of the commercial customs and	Paragraph (2) / Article (6) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	general principles of VASP and the accredited employees contained in Chapter Two of the Rulebook and the principles of justice and equality.					
47	VASP non-compliance and its employees by achieving the interests of customers and not discriminating between them, and taking into account not giving preference to personal interests or the interests of others over the interests of customers.	Paragraph (3)/ Article (6) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine. Suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine. Cancellation of the licence, or one of these two penalties.
48	VASP and its employees non-compliance to engage in or cooperate with third parties to engage in any misleading, deceptive, fraudulent or deceptive conduct.	Paragraph (4) / Article (6) / Chapter Four/ Part Three of the Rulebook.	(200,000) dirhams fine.	(400,000) dirhams fine.	(800,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(1,000,000) dirhams fine and cancellation of the licence, or one of these two penalties.
49	VASP and its employees non-compliance to refrain from exploiting customer data to achieve personal benefits or gains for any of them or others or to publish any incorrect or misleading information.	Paragraphs (5) and (6) / Article (6) / Chapter Four/ Part Three of the Rulebook.	(200,000) dirhams fine.	(400,000) dirhams fine.	(800,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(1,000,000) dirhams fine and cancellation of the licence, or one of these two penalties.

50	VASP non-compliance to consider achieving the best execution price for the Customer and taking into account the distribution among brokers in the market in which it deals, and its bias towards some brokers in a way that may achieve special gains for it or harm the Customer rights, and carrying out execution operations with the aim of increasing commissions, fees or expenses for it or for others.	Paragraph (1) / Article (7) / Chapter Four/ Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
51	VASP non-compliance to comply with the agreement with specialised persons to advertise and market its financial services on its behalf with the stipulated obligations.	Article (8) / Chapter Four Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine. Suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine. Cancellation of the licence, or one of these two penalties.
52	The partners and members of the Board of Directors of VASP, its director, or its Board of Directors, and its employees, when executing any trading orders for themselves or for the account of their spouses, ascendants or branches up to the second	Paragraph (1) / Article (9) / Chapter Four/ Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine.

	degree, or for the account of any of these spouses or minor children, to comply with the stipulated obligations.					
53	VASP non-compliance to comply with the obligations concerning the execution of trading orders for partners, members of the Board of Directors, the Director or the Board of Directors and its employees.	Paragraph (2) / Article (9) / Chapter Four / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
54	Employees of VASP trading in certain VA if the Service Provider, in accordance with its licence, provides financial advice relating to the VA or its Source or on VA related thereto or its Source before it is published. This is made available to all Service Provider customers.	Paragraph (4) / Article (9) / Chapter Four/ Part Four of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine.	(800,000) dirhams fine.
55	Non-compliance to include the data contained in Appendices No. (1), (2), (3) and (6) of Part Three of the Rulebook.	Appendices No. (1), (2), (3) and (6) of Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

56	VASP non-compliance to the requirements under the “Guidelines for Financial Institutions Adopting Enabling Technologies”, which was issued by the Central Bank of the UAE (CBUAE), together with the Securities and Commodities Authority (SCA), the Dubai Financial Services Authority (DFSA) of the Dubai International Financial Centre and the Financial Services Regulatory Authority (FSRA) of Abu Dhabi Global Market.	Paragraph One / Appendix No. (7) VA Wallet / Part Three of the Rulebook.	(100,000) dirhams fine.	(200,000) dirhams fine.	(400,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(800,000) dirhams fine and cancellation of the licence, or one of these two penalties.
57	VASP non-compliance providing the VA Wallet Service to provide procedures describing the process of creating and managing VA Wallets and the controls related thereto.	Clause (1) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
58	VASP non-compliance providing the VA Wallet Service to provide procedures describing the process of private key creation, management, and controls.	Clause (2) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

					these two penalties.	
59	VASP non-compliance – which provides the VA Wallet service – to provide the necessary systems and controls to mitigate the risks of misuse of VA.	Clause (3) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
60	VASP that provides the VA Wallet Service does not have a security plan describing the arrangements, procedures and security measures used to securely store and transmit data.	Clause (4) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
61	VASP – which provides the VA Wallet Service – does not have a risk management plan that includes a detailed analysis of likely risks with both high and low impact, as well as mitigation strategies.	Clause (5) / Paragraph Two / Appendix No. (7) VA/ Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence or one of these two penalties.
62	VASP non-compliance providing the (VA Wallet) service to: 1. Once they have been licensed by SCA, the Safe Guarding processes and	Clause (6) Paragraph Two/ Appendix No. (7) VA Wallet /	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not	(400,000) dirhams fine and cancellation of the licence or

	<p>systems shall be tested on a scheduled recurrent basis, with evidence of such tests and findings thereof being appropriately documented. The schedule for system testing shall be included in its protocols to be submitted to SCA upon request.</p> <p>2. Schedule shall take into consideration procedural risks as well as high-impact financial risks.</p> <p>3. Systems testing shall be undertaken in line with the industry best standards and practices.</p>	Part Three of the Rulebook.			exceeding one year, or one of these two penalties.	one of these two penalties.
63	<p>VASP non-compliance providing the (VA Wallet) service to:</p> <p>1. Disclosing the proposed automation of its functions in the procedures manual submitted at the time of submitting the application, as well as failing to provide appropriate justifications and justifications.</p> <p>2. Update the Operational Risk Management Programme (ORMP) in a timely manner to develop scenarios to be followed in</p>	Clause (7) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	the event of automation non-compliance.					
64	<p>VASP non-compliance providing the (VA Wallet) service to:</p> <p>1. As stated in the Rulebook concerning the general requirements imposed by SCA and related to outsourcing activities.</p> <p>2. The requirements related to the VA Wallet in accordance with the details contained in Clause (8) / Paragraph Two of Appendix No. (7) VA Wallet of Part Three of the Rulebook.</p>	<p>Clause (8) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.</p>	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
65	<p>VASP non-compliance providing the (VA Wallet) service to:</p> <p>1. Implement processes and procedures concerning decision-making and access to sensitive information and security systems.</p> <p>2. Maintain clear audit records and review of the decision-making process, and no staff with decision-making responsibilities and who have adequate expertise, particularly from a technological standpoint, may make such decisions.</p>	<p>Clause (9) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.</p>	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	3. Apply measures should be implemented to restrict access to critical and/or sensitive data to key personnel only.					
66	VASP non-compliance that provides the VA Wallet Service to put in place policies and measures aimed at ensuring that private keys are not compromised.	Clause (10) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
67	VASP non-compliance with clear policies and procedures that detail procedures for recovery in the event that a customer loses access credentials.	Clause (11) / Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
68	VASP non-compliance providing the (VA Wallet) service to: 1. Establish policies and procedures, consistent with the AML Rules applicable thereto, to identify the source of funds and to ensure their compliance with SCA AML Guidelines. 2. Authorised Persons shall perform due	Clause (12) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	diligence on their customers before opening an account so that wallet addresses can be identified as belonging to a specific user.					
69	<p>VASP non-compliance providing the VA Wallet service to:</p> <ol style="list-style-type: none"> 1. Implement measures and procedures that are in line with best practices in the network security industry. 2. Updates and patches to all systems, particularly security systems, should be performed as soon as safely feasible after such updates. 3. Implement security policies for IT infrastructure that specifically describe the robustness of multi-layered security protection and how "weak points" have been addressed. 4. IT infrastructure is robust enough to handle a range of scenarios without incurring significant losses to customers. 5. Develop information security policies and procedures for all employees. 	<p>Clause (13) / Paragraph Two / Appendix No. (7) Wallet Virtual / Part Three of the Rulebook.</p>	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	<p>6. The strong encryption of data, both at rest and in transit, should be included in the security policy.</p> <p>7. Record and document all security incidents and breaches in its finest details as soon as practically possible</p> <p>8. Use open source software in accordance with clear, transparent and well-documented rules and procedures.</p> <p>9. All internal or external APIs shall be secured by strict access management procedures and systems, including encryption of the information.</p> <p>10. All access management and credential changes (for employees, third-party Service Providers and customers) shall be governed and monitored by strict and well-documented rules and procedures.</p>					
70	<p>VASP non-compliance providing the VA Wallet service to:</p> <p>1. Demonstrate that as part of his protocols, each signatory will be required to document the rationale to approve or reject a</p>	<p>Clause (14) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three</p>	<p>Warning.</p>	<p>(100,000) dirhams fine.</p>	<p>(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of</p>	<p>(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.</p>

	<p>transaction in relation to VA protocols in place.</p> <p>2. The applicant will also be required to maintain a detailed log for any change in the chain of access to VA.</p> <p>3. Records of transaction approval/rejection and supporting justifications as well as any change in the chain of access to VA, may also be made available, upon request, for review by the owner of the VA subject to the transaction.</p>	of the Rulebook.			these two penalties.	
71	VASP non-compliance providing the VA Wallet Service to establish a documented system for detecting suspicious or fraudulent transactions and procedures for reviewing suspicious transactions.	Clause (15) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.
72	VASP non-compliance to include in its protocols the disclosure of the source of the valuation and the methodology followed in that to the Customer and the signatory parties before commencing the transaction, in the event that the current market	Clause (16) Paragraph Two/ Appendix No. (7) VA Wallet / Part Three of the Rulebook.	Warning.	(100,000) dirhams fine.	(200,000) dirhams fine and suspension from practising the activity for a period not exceeding one year, or one of these two penalties.	(400,000) dirhams fine and cancellation of the licence, or one of these two penalties.

	value was one of the main reasons behind starting the rules. A transaction involving VA that has been securely stored.					
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