

## VARA Notice of Written Reprimand – OPNX Exchange

27/04/2023 - Following the **Investor and Marketplace Alert dated 12 April 2023** in relation to opnx.com [OPNX] conducting unregulated activity, Dubai's Virtual Assets Regulatory Authority [VARA] has issued a formal Letter of Reprimand to OPNX and its founders for:

1. Carrying out VA Exchange Services on an unregulated basis in and from the Emirate of Dubai; and
2. Marketing, promoting and/or advertising OPNX services and its native token [FLEX] without the necessary permits from VARA.

### Context

**February 2023:** VARA became aware of OPNX soliciting, and collecting personal data from the public to participate in its new (to be launched) exchange. Through social media platforms, OPNX had been engaged in marketing the exchange without establishing warranted restrictions for residents of Dubai/UAE.

**4.April.2023:** OPNX launched the exchange on opnx.com, providing VA Exchange services – a regulated activity under the VARA regime, without securing any regulatory licences, and as such operating in contravention of local laws.

### Regulatory Action

**27.February.2023:** VARA issued OPNX and its founders a Cease and Desist order for (i) Establishment of OPNX; and (ii) Marketing and Promotion of OPNX Exchange Services.

VARA notes that thereafter, certain restrictions regarding residents of Dubai/UAE were subsequently applied on the OPNX website. Such restrictions were however, not applied comprehensively across all

OPNX communication channels or promotional and marketing materials – that have consequently, remained accessible to UAE residents thereafter.

**10.March.2023:** Following continued investigation of OPNX’s activities, VARA issued a further Cease and Desist notice.

**12.April.2023:** Despite the actions above, OPNX launched its exchange on 04.April.2023 as a consequence of which VARA had issued an **Investor and Marketplace Alert**, amidst undertaking further due diligence to determine necessary steps.

**18.April.2023:** To address historical and ongoing activity conducted on an unregulated basis, a written **Reprimand** was issued by VARA to OPNX; 4 founders (Mark Lamb, Sudhu Arumugam, Kyle Davies and Su Zhu); and CEO (Leslie Lamb).

Following the launch, and with the continued lack of satisfactory remedial action by the responsible parties, VARA is continuing to actively monitor the situation and investigate OPNX’s activity to assess further corrective measures that may be required to protect the market.

VARA is the competent entity in charge of regulating, supervising, and overseeing Virtual Asset services in the Emirate of Dubai (excluding the Dubai International Financial Centre).