
ENFORCEMENT NOTICES- 16 NOV 2023

Update: VARA Investor and Marketplace Alert - Bored Gen DMCC

Further to the Virtual Assets Regulatory Authority (VARA) notice dated 4 October 2023 in relation to the enforcement action and ongoing investigation regarding the issuance, marketing and distribution of Islamic Coin (ISLM) by Bored Gen DMCC (BG) and its affiliate entities, investors and market participants are advised that the instances of activity that were the subject of VARA's investigation referenced therein have been concluded.

Matters identified as part of the investigation have been facilitated and actively addressed by BG. VARA notes that BG has cooperated fully throughout VARA's review of this matter, and has undertaken remedial measures, including the implementation of adequate public disclosures for improved market assurance. VARA further views these matters under investigation to largely constitute technical non-compliance. BG is required to secure appropriate approvals from VARA to undertake any distribution of ISLM to the Dubai market – until such time as this approval is received, no domestic market promotion and/or access facilitation is permissible.

BG may continue business operations related to non-VA Activities, subject to maintenance of regular engagement with VARA and fulfilment of the necessary obligations including full compliance with all applicable regulatory requirements.

Update – 29 December 2023:

Further to the conclusion of the investigation referenced in VARA's notice on Bored Gen DMCC ("BG") dated 04 October 2023, BG will deploy a corporate governance plan separating the technology arm of its business from its regulated entity, and provide VARA with regular reports on the progress until such plan is stabilised in full.

BG has also undertaken to undergo an approval process to secure such approval as may be deemed necessary from VARA in connection with the listing of tokens issued or distributed by BG. VARA will evaluate ongoing need for this process entirely at its discretion.

As such, the above case is deemed to be satisfactorily resolved at this time.

Notwithstanding the above, BG will only be permitted to service the Dubai market including any distribution of the ISLM token, after successfully securing the requisite license or clearance, as the case may be, from VARA.

Disclaimer: This ALERT represents a notification to the public regarding Bored Gen DMCC's regulatory status and is not intended to be a substitute for any individuals' own due diligence. For the avoidance of doubt, please seek independent, professional advice