
MARKET NOTIFICATION:

VARA Investor and Marketplace Alert - Bored Gen DMCC

Date: 04 October 2023

The Virtual Assets Regulatory Authority (**VARA**) is issuing this Alert to draw the immediate attention of all investors and market participants regarding the **unauthorised Issuance, Marketing and Retail Distribution of Islamic Coin (ISLM)** in and/or from the Emirate of Dubai by Bored Gen DMCC (**BG**).

Investors and Customers are advised to note:

- Unauthorised VA Issuance:** BG is not a VARA licensed or registered VA issuer, nor a VASP that has otherwise been granted a No-Objection Confirmation to issue a Virtual Asset such as the ISLM token – which is being offered for public sale to interested purchasers including [without limitation] Dubai residents.
- Distribution of ISLM Tokens:** Public sale of ISLM by BG through a Regulation D Offering arranged by OpenDeal Portal LLC - conducting business as Republic on republic.com is a potential breach of **Regulation III.A.1** (such activity constituting placement and distribution of a Virtual Asset). Additionally, under the definition of Broker-Dealer Services, such activity is fully regulated under the VARA regime and requires a VA Broker Dealer Licence that neither BG nor Republic have obtained from VARA.
- Marketing Activities:** BG is a Dubai-based DMCC entity and marketing activity pertaining to ISLM undertaken in and from Dubai has been done without VARA approval. VARA are investigating whether there has been a breach of **Administrative Order No. 01/2022 Relating to Regulation of Marketing, Advertising and Promotions Related to Virtual Asset**. BG are to cease marketing activity until it obtains the appropriate approvals from VARA and introduces appropriate disclaimers in connection with such marketing.

As a consequence of the breach of VARA's regulations described above, enforcement action has been taken against BG and BG has been directed by VARA to **suspend with immediate effect** any further distribution of ISLM and to cease any further issuance and/or marketing of ISLM until approval from VARA is received.

Customers may wish to notify VARA at varaconnect@vara.ae if they have been targeted by BG promotional/solicitation activities, or if customers who are Dubai residents have purchased ISLM.

VARA continues to monitor the situation and may take further enforcement actions against BG and any responsible individuals as may be warranted. 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).

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.

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