

## **VARA Consumer and Marketplace Alert - Memecoins**

**Date: 13 February 2025**

The Virtual Assets Regulatory Authority (VARA) issues this alert to inform consumers and investors of the risks associated with advertisements promoting subscriptions to memecoins.

### **Key Points for Investors and Consumers:**

#### **Unregulated and High-Risk Nature of Memecoins**

- Memecoins are highly speculative and volatile assets, frequently subject to market manipulation.
- Many such assets lack intrinsic value and derive their pricing from social media trends, hype, or misleading promotional strategies.
- Investors should exercise caution when presented with claims of unrealistic returns, as these often indicate fraudulent schemes.
- There is a risk of significant financial loss within short timeframes due to price collapses, liquidity shortages, or scams.

#### **Legal and Regulatory Compliance**

- Any virtual asset issuance from Dubai must ensure adherence with VARA Regulations and Rulebooks.
- Any promotion, advertising, or solicitation of virtual assets must adhere to VARA's Marketing Regulations.
- Entities engaging in unauthorised virtual asset activities may be subject to enforcement action.

#### **Important Notice**

Consumers and investors should be aware that access to memecoin platforms may be restricted without prior notice, and it is advisable to take necessary measures to safeguard personal financial security.

VARA is the designated authority responsible for regulating, supervising, and monitoring virtual asset activities in the Emirate of Dubai (excluding the Dubai International Financial Centre). VARA remains steadfast in its commitment to protect consumers and investors, and to preserve market integrity.