VARA Market Alert

In light of recent social media publications, claiming that, amongst other assertions, the UAE has banned Bitcoin and restricted self-custodial wallets, and the substantial confusion these statements have created for market participants, the Dubai Virtual Assets Regulatory Authority ("VARA") issues this Market Alert.

This Market Alert provides clarification to reinforce confidence, assure market stability and enable informed decision-making within Dubai's Virtual Asset ecosystem.

1. Bitcoin is not banned in the UAE

The use of Virtual Assets, including Bitcoin, remains permissible in the UAE, in accordance with Cabinet Decision No. 111 of 2022 and rules and regulations set out by the Securities and Commodities Authority ("**SCA**"), and VARA.

2. The CBUAE Law applies only to Licensed Financial Institutions and Licensed Financial Activities

The new CBUAE Law regulates **Licensed Financial Institutions**, **insurance businesses** and **Licensed Financial Activities,** as defined within the CBUAE Law.

Virtual Assets Activities and Virtual Assets Service Providers ("**VASPs**") remain under the purview of SCA or VARA (based on their territories of operations), and subject to their respective regulatory frameworks, except where these activities fall within the scope of payment services, including:

- using Virtual Assets **as a means of payment or legal tender**;

- using **stored-value services** to provide retail payments or digital money services.

These are described in Article 61 of the CBUAE Law.

Market participants are advised to rely on official publications rather than social media commentary for regulatory information.

Capitalised terms used but not defined herein have the same meaning ascribed to them in the Virtual Assets and Related Activities Regulations 2023 (as amended).

VARA remains committed to ensuring a secure, transparent and well-regulated environment for Virtual Asset Activity in Dubai. For further information or compliance-related queries, please contact connect@vara.ae.

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