

**When it comes to digital assets, the debate within the finance industry has moved from ‘why’ to ‘when.’**

With this in mind, the DFSA, the independent regulator in DIFC, has established future-focused regulatory regimes which enable responsible use of both investment and crypto tokens within the financial ecosystem.

The regimes provide standards and help manage risks for firms who wish to incorporate this asset classes into their offering.

Initially, regulations were introduced for investment tokens, allowing a wide range of activities to be carried out. These included, issuance, trading on DFSA regulated exchanges and multilateral trading facilities, holdings in digital wallets and the ability to deal, arrange and advise on, and conduct associated asset management activities.

Following extensive consultation, a regime is now in place for recognised crypto tokens, including Fiat Crypto tokens. Financial Services or activities can only be undertaken with a Crypto Token that is recognised by the DFSA.

Digital asset related regimes also address issues such as Market Abuse, AML/CFT, consumer protection and IT governance.

All firms who are currently providing, or want to provide, Financial Services in relation to crypto tokens in or from DIFC will need to obtain the appropriate licence from the DFSA. To obtain this, firms will first need to submit a pre-application to the DFSA via the DFSA website. This includes existing DFSA

Authorised Firms that wish to obtain a Variation of their Licence to include crypto tokens.