ACX COMPLIANCE

# VARA Publishes Update to Its Exchange Services Rulebook:

## 3 Things Every Crypto Exchange Needs to Know

On May 19, 2025, the Virtual Assets Regulatory Authority (VARA) officially released an updated version of its **Exchange Services Rulebook**, introducing some targeted amendments aimed at improving regulatory clarity and reinforcing compliance obligations for Virtual Asset Service Providers (VASPs).

### Here are 3 key changes that any VASP offering crypto exchange services needs to know:

**#1**

#### Margin Trading can now be offered to retail clients

Previously, access to margin trading services was granted only to institutional and qualified investors. With the updated rulebook, VARA has lifted these limitations, thereby allowing retail clients to participate in Margin Trading activities.

This is an important change as it reflects the practical reality that retail investors often want to trade with margin or leverage. The previous restriction limited in practice the type of operations that any VASP would have in the UAE. With this change, we should expect larger global crypto exchanges to bring their broader suite of offerings under the VARA umbrella.

**#2**

#### USD and AED Collateral Explicitly Accepted for Initial Margin, and Maintenance Margin requirements

The recent amendment to the Exchange Rulebook reflects a strategic regulatory shift in how fiat-referenced virtual assets are treated. Previously, the rule distinguished between USD- and AED-backed assets: USD-backed virtual assets were subject to strict requirements, including being fully backed by cash or cash-equivalent reserves in line with international accounting standards, while AED-backed assets required explicit approval from VARA.

The updated rule removes the previous distinction between USD- and AED-backed assets and places the responsibility for vetting all fiat-referenced virtual assets solely with VARA. Exchanges are no longer required to independently assess reserve backing or apply accounting standards; instead, they can rely entirely on VARA's formal approval for listing such assets. This streamlines compliance obligations, ensures consistency across the market, and centralizes regulatory oversight of fiat-referenced assets.

**#3**

#### Explicit Margin Trading Disclosures

VARA has introduced specific provisions that must now be included in Margin Trading Agreements. One of the most impactful updates is the requirement for VASPs to explicitly outline conditions under which clients may be required to make additional payments, as part of their margin requirements, if they fail to meet the required thresholds or get liquidated.

This is an important change when it comes to customer protection as retail investors can easily be liquidated during periods of volatility, and thus transparency is essential.

⚠ **IMPACT**

The updated rulebook is likely to have a meaningful impact on how VASPs operate, particularly those offering margin trading services as allowing margin trading for retail investors was long requested by VASPs.

Crypto exchanges will need to evaluate their licensing structure, internal processes, and client-facing agreements to ensure compliance.

**VASPs are required to comply with the new regulatory requirements by 19 June 2025.**

To access the rulebook click HERE.

## Let us help you stay ahead of regulatory changes.

The ACX Compliance team is ready to support your transition—reach out to us for tailored regulatory guidance, detailed impact assessments, and hands-on implementation support to ensure full alignment with the latest VARA rulebook updates.

Book Your Free Consultation Today | Urgent? Email us now!

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