

# World's Largest **Crypto-Specialized Compliance** Managed Services Provider

## Many crypto firms are moving to the UAE. But many are still making common mistakes.

Here are 5 common mistakes made by crypto firms when applying for their VARA or ADGM license.

### #1 Misaligned Business Model and License Type

One of the most common causes of prolonged licensing timelines is applying for the wrong license category or misrepresenting your planned activities. Regulators define license types with specific scopes. If your actual operations fall outside your chosen category, the regulator will issue multiple clarification requests or require a change in scope, adding months to the process.

*△ For example*

*Some activities like staking or token issuance often require more careful attention.*

**✔ What you should do:**

Map each of your planned services to the exact activities listed in the regulator's definitions. Engage in a pre-application review with your compliance advisers to ensure alignment before submitting.

### #2 Incomplete or Generic Business Plans

Many companies underestimate how thoroughly regulators examine business plans. Submitting vague, template-based documents without explaining your unique value proposition, operational model, risk management framework, and realistic financials will only lead to repeated rounds of information requests. Regulators expect evidence that you understand your market, have sustainable revenue streams, and have factored in compliance and operational costs.

*△ For example*

*Adding the financial projections is often very helpful.*

**✔ What you should do:**

Prepare a bespoke business plan covering the business model, target market, detailed client journey, governance, compliance measures, technology stack, financial projections, and risk controls.

### #3 Ignoring Regulatory Requirements

Applications often get stalled because the company hasn't reviewed the specific rulebooks in detail. In the UAE for example, regulators each have comprehensive requirements for AML/CFT, cybersecurity, outsourcing, business continuity, and capital adequacy, etc. Overlooking even one of these areas means the regulator will come back with detailed queries, requiring policy revisions and re-submissions.

*△ For example*

*We often see crypto firms put the same individual person wearing different hats which will cause issues.*

**✔ What you should do:**

Conduct a full regulatory gap analysis before starting the application. Align your compliance framework, IT security policies, governance arrangements, and financial setup with the applicable regulatory handbooks.

### #4 Poorly Defined Organizational Structure

Weak or unclear governance slows the process and may require re-appointments. It's not enough to list names and titles. Regulators assess whether your governance model ensures segregation of duties, avoids conflicts of interest, and includes independent directors where required. They also evaluate whether your Controlled Functions (e.g., Compliance Officer, MLRO, Senior Executive Officer) meet "fit-and-proper" standards in terms of qualifications and experience.

*△ For example*

*Many crypto firms will mention that will outsource these activities when it is not always possible.*

**✔ What you should do:**

Design a governance structure with clear reporting lines, role segregation, and independence where required. Appoint experienced professionals early, and prepare their CVs, regulatory declarations, and supporting documentation in advance.

### #5 Submitting Rushed or Inaccurate Applications

Errors, missing documents, or inconsistent answers can cause the regulator to come back with multiple rounds of clarification requests. This not only extends the review process but can also disrupt your planned launch timelines and increase overall licensing costs. Common examples include mismatches between the business plan and financial model, incomplete policy documents, or missing corporate records.

*△ For example*

*We often see crypto firms use templates provided by their low cost compliance provider generated by Chat GPT with minimal amendments.*

**✔ What you should do:**

Prepare thoroughly and review all submissions before filing. Cross-check every document for accuracy and consistency, ensure all required appendices are included, and have an internal or external compliance expert conduct a final review to catch any issues before submission.

## Start Your VARA Licensing Journey Today!

We'll handle the setup, license, and operational rollout so you stay focused on growth.

[Book Your Free Consultation Today](#)

[Urgent? Email us now!](#)

## Who are **We?**



**Ohannes Kouyoumjian**

Head of Compliance, 8+ years experience in crypto VASP regulation.



**Toms Pauders**

Co-Founder, former Binance compliance lead in China and Malta.



**Henri Arslanian**

Chairman of the Board, ex-PwC partner and Global Crypto Leader, ex-UBS, lawyer