

Executive Summary

This comprehensive checklist covers all requirements for Virtual Asset Service Providers (VASPs) seeking MVA licensing under the Dubai Virtual Assets Regulatory Authority (VARA) framework.

Last updated for 2025 regulatory amendments including enhanced custody requirements and cross-border transaction monitoring standards.

1. Licensing Requirements

- & Complete VARA application form with all annexures
- & Submit Certificate of Incorporation and Memorandum of Association
- & Provide proof of registered office in Dubai
- & Submit organizational chart with key personnel details
- & Demonstrate minimum capital requirements (varies by license type)
- & Obtain required insurance coverage for digital asset custody

2. Technical Requirements

- & Implement HSM (Hardware Security Module) for key management
- & Deploy multi-signature wallet infrastructure
- & Establish cold storage procedures with 95% minimum threshold
- & Configure real-time transaction monitoring systems
- & Implement DDoS protection and WAF solutions
- & Deploy intrusion detection/prevention systems (IDS/IPS)
- & Establish secure API endpoints with rate limiting
- & Implement certificate pinning for mobile applications

3. Wallet Security Controls

- & Document key generation procedures using secure entropy sources
- & Implement key ceremony protocols with multiple witnesses
- & Establish backup and recovery procedures for private keys
- & Deploy segregated wallet architecture for client funds
- & Implement address whitelisting for withdrawals
- & Configure transaction velocity limits and anomaly detection
- & Establish proof-of-reserves audit procedures

4. KYC/AML Controls

- & Implement tiered KYC verification levels
- & Deploy identity verification solutions (document + biometric)
- & Configure sanctions screening against OFAC, UN, and local lists
- & Implement PEP (Politically Exposed Persons) screening
- & Establish transaction monitoring rules for suspicious activity
- & Configure Travel Rule compliance for transactions > 1,000 AED
- & Implement blockchain analytics for source of funds verification
- & Establish SAR (Suspicious Activity Report) filing procedures

5. Governance & Compliance

- & Appoint qualified MLRO (Money Laundering Reporting Officer)
- & Establish Board-level risk committee
- & Develop comprehensive AML/CFT policies and procedures
- & Implement regular compliance training programs
- & Establish internal audit function
- & Document business continuity and disaster recovery plans

6. Reporting Requirements

- & Quarterly compliance reports to VARA
- & Annual external audit of security controls
- & Immediate notification of security incidents
- & Monthly transaction volume reporting
- & Annual AML/CFT program effectiveness review