

FASSET VIRTUAL ASSET LISTING POLICY

Agreed By	The directors, including the CEO, have reviewed and approved the listing policy. A formal board resolution will be executed upon the company's formation.
Version	1.3
Approved	23 July 2024

1. Introduction

This Virtual Asset Standards Policy (the "Policy") outlines the standards and procedures implemented by Fasset, a Virtual Asset Service Provider (VASP), to assess and manage digital assets listed on its platform. The Policy aims to ensure compliance with legal, ethical, and professional standards and maintain the integrity of the virtual asset ecosystem.

2. Requirement to Have Virtual Asset Standards

In accordance with the Virtual Assets Standards (VAS), Fasset has established comprehensive standards for all virtual assets (VAs) offered on its platform. These standards, referred to as the VA Standards, form the basis for assessing and managing digital assets. Fasset is committed to taking all reasonable steps to ensure that VAs listed on its platform meet these standards, including conducting thorough due diligence.

3. Assessment of Digital Assets

Fasset employs a rigorous assessment process to evaluate digital assets before offering them for trading on its platform. The assessment criteria include, but are not limited to, the following:

- a. Market Metrics: Fasset evaluates the market capitalization, fully diluted value, and liquidity of the digital asset, considering any trends over time.
- b. Design and Use Cases: The design, features, and potential use cases of the digital asset are examined to understand its functionality and utility.
- c. Compliance with Laws and Regulations: Fasset assesses whether the digital asset's features comply with applicable laws, regulations, rules, or directives, including but not limited to anti-money laundering (AML), counter-terrorism financing (CFT), sanctions, securities, and intellectual property.
- d. Regulatory Treatment: The regulatory treatment of the digital asset by relevant authorities, both within and outside UAE, is considered. Regulatory approvals, if obtained, are taken into account.
- e. Prohibitions: Fasset investigates whether the digital asset is prohibited by the Securities Commissions UAE or any other appropriate authorities in jurisdictions where the VASP operates.
- f. Security of DLT Protocol: The security and immutability of the underlying Distributed Ledger Technology (DLT) protocol are assessed to ensure the integrity and robustness of the digital asset.
- g. Future Development: Fasset evaluates the future development plans (roadmap) communicated by the issuer or relevant developers to gauge the potential growth and innovation of the digital asset.
- h. Price Manipulation: The susceptibility of the digital asset to price manipulation is assessed, and measures to mitigate such risks are considered.
- i. Conflict of Interest: Potential or actual conflicts of interest that may arise from providing VA activities related to the digital asset are identified, and appropriate mitigations are implemented.
- j. Issuer Background: The background of the issuer, including their experience in the virtual asset sector and any history of investigations or claims related to fraud, is evaluated.
- k. Asset Rights and Availability: The enforceability of any rights represented by the digital asset and the availability of sufficient assets to fulfill obligations are confirmed.

l. Asset Volatility: The potential for extreme and abnormal price volatility of the digital asset is evaluated to protect investors from excessive market risks.

j. Non-Identity Preserving Assets: No crypto-assets that facilitate the obfuscation or concealment of the identity of a client or counterparty or crypto-assets that are designed to, or substantially used to circumvent laws and regulations will be listed.

m. Due Diligence: Thorough due diligence procedures are conducted to verify the authenticity and credibility of the digital asset and its issuer. This includes collecting relevant information, performing risk assessments, and ensuring compliance with applicable regulations and standards.

n. Continuous Monitoring: Listed digital assets are continuously monitored to ensure ongoing compliance with regulatory, legal, and internal requirements. This includes tracking performance metrics, identifying any emerging risks or non-compliance issues, and taking appropriate actions to address them. A formal quarterly review of the document and all listed assets will be performed.

4. Ratings Framework

As part of our Policy, Fasset has developed a comprehensive Ratings Framework that helps evaluate and rank VAs we consider for listing and other activities. This framework is designed to ensure a consistent, transparent, and objective assessment of each VA, while also providing clear and comprehensive information to our stakeholders. The Ratings Framework considers various factors, including empowerment, equitable outcomes, sustainability, eco-friendliness, real-economy link, opportunity creation, use of smart and emerging technologies, transparency and disclosures, governance, and charitable contributions.

5. Department

In addition to the management, Fasset has established the following departments involved in analyzing VAs before they are listed:

- a. Legal and Compliance: This department conducts legal and regulatory reviews of the VA applications, ensuring compliance with listing criteria and relevant laws and regulations.
- b. Product Development: The product development team identifies potential VAs for listing and gathers necessary information and documents for initial screening.
- c. Ethics and Impact: The Ethics and Impact department conducts ethical reviews to ensure that VAs align with Fasset's values, including equity, ethical considerations, and social impact.

6. Listing Process

Fasset follows a structured listing process to assess and list digital assets on its platform. The process includes the following steps:

- a. Product Team Ideation: The product team identifies potential VAs for listing purposes, gathering all necessary information and documents, and conducting initial screening.
- b. Legal and Compliance Review: The legal and compliance team reviews the VA applications against the listing criteria, regulatory and legal requirements. This review may include technical analysis, market analysis, legal review, and risk assessment.
- c. Ethical Review: The Ethics and Impact department conducts an ethical review of the VAs, ensuring they align with Fasset's values, such as equity, ethical considerations, and social impact.
- d. Management Review: If the review is successful, the VA is escalated to the management for final review and decision-making.
- e. Approval: Once approved internally, the VA is listed on the platform, complying with any necessary regulatory approvals.
- f. Ongoing Review: After listing, the VA is continuously monitored to ensure compliance with regulatory, legal, and internal requirements. Regular reviews are conducted to assess performance and address any emerging issues.

7. Transparency and Disclosure

Fasset is committed to maintaining a high level of transparency in its listing process. Detailed information about the listing criteria, assessment process, and updates on listed VAs will be publicly available. This includes disclosures and reviews of the VAs on the Fasset website, providing stakeholders with transparency and access to relevant information.

8. Regulatory Approval & Correspondence with CBB

- Fasset will notify the CBB of its intent to list a crypto-asset. This notification will include the findings of the risk assessment conducted in accordance with the relevant guidelines, along with the board resolution approving the crypto-asset. Fasset will also confirm in its notification to the CBB that the proposed new crypto-asset complies with the requirements stipulated in its crypto-asset listing policy.
- Fasset must provide a list of all crypto-assets listed on its platform no later than 10 days after the end of each quarter.
- Fasset will ensure that necessary monitoring capabilities (e.g., monitoring systems, internal control, on-chain analysis, etc.) are in place prior to listing a crypto-asset on its platform.
- The crypto-asset listing policy will only list an asset if it concludes that the asset, in line with CBB's objectives for a fair, transparent, and orderly crypto-asset market, complies with applicable laws, rules, and regulations, and does not adversely affect market integrity or client interests.
- Each listed asset will have the following text on the market page: ***"THE CENTRAL BANK OF BAHRAIN HAS NEITHER REVIEWED NOR APPROVED THE LISTED CRYPTO-ASSETS"***.

8. Grounds for Delisting

Fasset reserves the right to delist a VA under several circumstances which may include, but are not limited to, the following:

- a. Significant Decline in Market Metrics: Persistent low market capitalization, liquidity, or significant downward trends that undermine the asset's stability and reliability.
- b. Violation of Laws and Regulations: Any breaches in compliance with applicable laws, regulations, or standards, including AML/CFT, sanctions, and securities laws.
- c. Security Issues: Critical vulnerabilities in the VA's underlying technology or a breach that compromises user funds or data.
- d. Lack of Developer Support: Discontinuation of support or development which might affect the asset's functionality or security.
- e. Low Trading Volume: Sustained low trading activity on our platform that does not justify the cost or risk of maintaining the VA.

- f. Regulatory or Legal Changes: Changes in the regulatory environment that render the continued support of the VA non-compliant or impractical.
- g. Ethical Concerns: Situations where the VA or its associated parties engage in activities that conflict with Fasset's ethical standards or damage public trust.
- h. Operational Difficulties: Technical or operational difficulties related to the VA that pose ongoing risks to Fasset or its users.
- i. Public Policy Concerns: Developments that pose a risk to public policy, including economic, social, or national security risks.

9. Delisting Process

The delisting process involves several steps to ensure fairness and transparency:

- a. Initial Review: The relevant departments, including Legal and Compliance, Product Development, and Ethics and Impact, conduct an initial review based on the delisting criteria.
- b. Notification: If a potential delisting is considered, the issuer of the VA will be notified to provide them an opportunity to address the concerns raised.
- c. Decision Making: After reviewing the issuer's response and additional analysis, the decision to delist will be escalated to the management for final approval.
- d. Public Disclosure: Once a decision is made, it will be publicly disclosed on our platform with detailed reasons and a timeline for the delisting to ensure all stakeholders are adequately informed.
- e. Transition Period: A grace period will be provided to all users to allow them to adjust their holdings before the delisting takes effect.

10. Review and Update of the Policy

Fasset regularly reviews and updates this Virtual Asset Standards Policy to align with evolving virtual asset landscapes and regulatory standards. Changes to the policy will be promptly communicated to all relevant stakeholders to ensure transparency and compliance. The standard SLA for review will be quarterly, and on an as-and-when required basis based on market conditions.

By implementing these policies and procedures, Fasset aims to ensure the assessment, listing, and delisting of digital assets on its platform adhere to the highest legal, ethical, and professional standards while safeguarding the interests of its clients and maintaining market integrity.