

Appendix 1

In this Appendix underlining indicates new text and striking through indicates deleted text.

Some text that is not being amended is included for information only.

REGULATORY LAW AMENDMENT LAW

DIFC LAW No.[x] of 2022

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CHAPTER 1 – THE FRAMEWORK OF REGULATION

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44A. Regulation of Crypto Tokens

The DFSA may make Rules for the purposes of regulating Tokens including, without limitation:

- (a) prescribing when a Token is a Crypto Token;
- (b) prescribing a Crypto Token to be a financial product for the purposes of Article 41A or Article 41B;
- (c) prescribing when an activity relating to a Crypto Token constitutes a Financial Service;
- (d) prohibiting specified activities from being carried on in relation to a Crypto Token unless the DFSA has recognised the Crypto Token (a “Recognised Crypto Token”);
- (e) prescribing the criteria to be satisfied, including the matters to be considered by the DFSA, for the recognition of a Crypto Token under (d);
- (f) prescribing circumstances in which the DFSA may revoke the recognition of a Crypto Token;
- (g) prescribing requirements relating to the offer of Crypto Tokens;
- (h) prescribing requirements that a person must comply with when carrying on activities relating to Crypto Tokens;
- (i) prohibiting activities relating to a Crypto Token or other related device that has specified features or is used, or intended to be used, for specified purposes;
- (j) prescribing procedures relating to the DFSA exercising any powers or functions relating to Crypto Tokens;
- (k) prescribing requirements relating to Tokens other than Crypto Tokens; and

- (1) providing for the DFSA to recognise other jurisdictions that have regulatory regimes for Crypto Tokens that are equivalent to the DFSA's regulatory regime.

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CHAPTER 10 - OTHER MATTERS RELATING TO LICENSING

Public Registers

- (1) The DFSA shall publish and maintain a register of current and past grants, withdrawals and suspensions of Licences, Licence Endorsements and authorisations of all Authorised Persons, Authorised Individuals and Key Individuals in such manner as may be prescribed in the Rules.
- (2) The DFSA shall publish and maintain a register of current and past registrations of all DNFBPs in such manner as may be prescribed in the Rules.
- (3) The DFSA shall publish and maintain registers of:
- (a) all persons in relation to whom action has been taken under Article 58(1);
 - (b) all persons in relation to whom action has been taken under Article 59; and
 - (c) all persons who have been prohibited under Article 90(2)(g) from holding office or being an employee of any Authorised Person, DNFBP, Reporting Entity or Domestic Fund,
- indicating whether any such action is of past effect or current, in such manner as may be prescribed in the Rules.
- (4) The DFSA shall publish and maintain a register of current and past registrations, suspensions and withdrawals of registrations of Registered Auditors and Audit Principals in such manner as may be prescribed in the Rules.
- (4A) The DFSA may decide not to publish information about a suspension imposed under Article 58(5) or Article 98A(5).
- (5) The DFSA shall publish and maintain a register of all Domestic Funds.

(5A) The DFSA shall publish and maintain a register of Recognised Crypto Tokens.

(6) The DFSA shall make a reasonably current version of any registers maintained under Article 62(1), (2), (3), (4), ~~and (5)~~ and (5A) readily available for viewing by the public during the normal business hours of the DFSA

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SCHEDULE 1 INTERPRETATION

3. Defined Terms

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
<u>Crypto Token</u>	<u>Has the meaning prescribed in the Rules made under this Law.</u>
<u>Distributed Ledger Technology</u>	<u>A class of technologies that support the recording of encrypted data where the data:</u> <u>(a) is held on a distributed ledger;</u> <u>(b) is electronically accessible, from multiple locations, by a network of participants; and</u> <u>(c) can be updated by those participants, based on agreed consensus, protocol or procedures.</u>
<u>Recognised Crypto Token</u>	<u>A Crypto Token that the DFSA has recognised under the Rules made under this Law.</u>
<u>Token</u>	<u>A cryptographically secured digital representation of value, rights or obligations, which may be issued, transferred and stored electronically, using Distributed Ledger Technology or other similar technology.</u>