

## POLICY STATEMENT

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**Date:** [TBC]

**Version:** VER1

**Re:** Policy Statement on Fiat Crypto Tokens

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### Introduction

1. This statement provides (i) information on the DFSA's assessment of the suitability of a Fiat Crypto Token for use in and from the DIFC and (ii) a list, in the annex, of Fiat Crypto Tokens the DFSA has assessed to be suitable.
2. Unless otherwise defined, the terms contained in this Policy Statement have the same meaning as in the DFSA Rulebook Glossary (GLO).

### Matters to which the DFSA will have regard

3. The matters to which the DFSA will have regard when assessing, for the purposes of GEN Rule 3A.2.1(2)(b), whether a Fiat Crypto Token is suitable for use in and from the DIFC include:
  - (a) the matters referred to in GEN Rule 3A.2.1(3) taking into consideration, as appropriate, the content of the Supervisory Guidelines [insert number] on Assessing the Suitability of Crypto Tokens;
  - (b) whether the Crypto Token is able to maintain a stable price relative to the fiat currency it references;
  - (c) whether the reserves:
    - (i) are at least equal in value to the notional value of outstanding Crypto Tokens in circulation (that value being calculated by multiplying the number of Crypto Tokens in circulation by the purported pegged fiat currency value);
    - (ii) are denominated in the reference currency;
    - (iii) are held in assets that are likely to maintain their value, including during periods of stress, are highly liquid, are appropriately diversified and carry minimal credit risk;
    - (iv) are valued daily; and

- (v) are held in segregated accounts with regulated banks or custodians in jurisdictions with regulation that is equivalent to the DFSA's regime and AML regulation that is equivalent to the standards set out in the FATF Recommendations;
  - (d) whether a person is clearly responsible and liable to holders of the Crypto Token;
  - (e) whether information demonstrating that the reserves meet the criteria in (c) is published at least monthly; and
  - (f) whether the published information referred to in (e) is verified by a suitably qualified third-party professional who is independent of the issuer of the Crypto Token and any persons responsible for the Crypto Token.
4. In assessing the equivalence of AML regulation, the DFSA may consider, among other things, whether on the basis of reports by credible sources (as defined in AML Rule 6.1.3(2)), such as mutual evaluations, detailed assessment reports or follow-up reports, a jurisdiction has AML requirements that are consistent with the FATF Recommendations and effectively implements those Recommendations.
5. A list of the Fiat Crypto Tokens that the DFSA has assessed to be suitable under GEN Rule 3A.2.1(2)(a) is provided in the Annex below.
6. The DFSA's assessment of a Fiat Crypto Token as suitable does not relieve an Authorised Person of its wider obligations, including the obligation to maintain adequate systems and controls, when considering whether to carry on an activity or service with reference to that Fiat Crypto Token.

## **ANNEX**

The Fiat Crypto Tokens the DFSA has assessed to be suitable under GEN Rule 3A.2.1(2)(b) are the following:

- Circle Euro Coin (EURC);
- Circle USD Coin (USDC); and
- Ripple USD (RLUSD).

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