

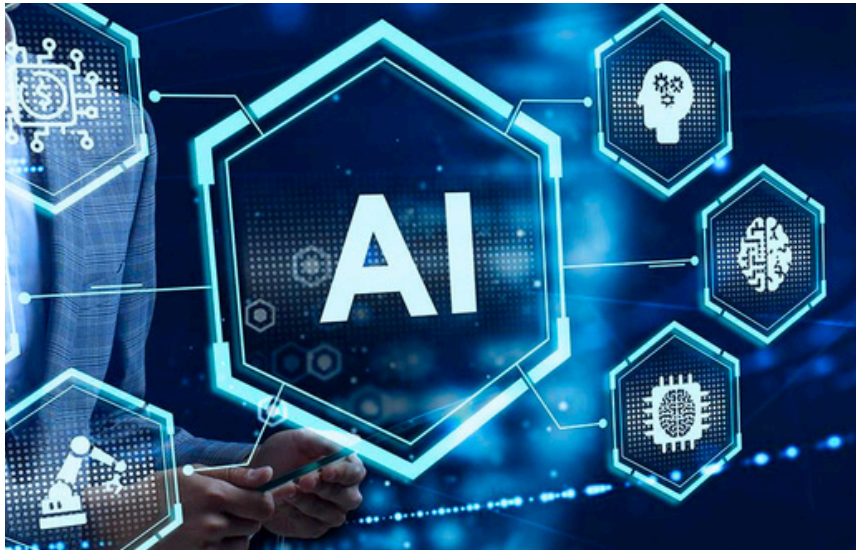
# RASMANDATE

A MONTHLY COMPILATION OF ARTICLES AND LEGISLATIVE &  
REGULATORY UPDATES CURATED BY RASMA LEGAL

## COVER STORY

### The Regulatory Landscape of AI: Highlights from the Dubai AI & Web3 Festival

I had the pleasure of attending the recent roundtable event titled “AI and Web3 Regulations, Innovation, Evolution, and Strategic Implementation” at the Dubai AI & Web3 Festival.



## THIS ISSUE

➤ **Cover Story**  
Page 1-3

➤ **Legal & Regulatory Updates**  
Page 4-5

➤ **Fintech Updates**  
Page 6

➤ **Thought Leadership**  
Page 7-8

➤ **Team Spotlight**  
Page 9

The event featured great panel discussions led by experts in cybersecurity, technology, and AI.

Thank you to the esteemed hosts, **Sherif Elgoweiny** and **Lori Baker**, as well as to all participants, for their invaluable insights and contributions.

The UAE government has launched several initiatives to position the country as a premier AI destination. Key among these are:

- The UAE National Strategy for AI 2031 and the National Program for AI.
- Federal Decree No 25 on the Project of Future Nature provided the Cabinet with the authority to establish a licensing regime for the implementation of AI innovative projects, where no existing legislation is already in place to regulate it.
- Law No 3 of 2024 establishing the Artificial Intelligence and Advanced Technology Council (AIATC) issued for the purposes of regulating AI projects in Abu Dhabi.
- The UAE Minister of State for AI Office has also issued a series of non-binding guidelines relating to AI, including:
  - The Deepfake Guide
  - The AI Ethics Guide
  - The AI Adoption Guideline in Government Services





In 2021, the UAE Central Bank (CBUAE), the Securities and Commodities Authority (SCA), the Dubai Financial Services Authority (DFSA), and the Financial Services Regulatory Authority (FSRA), jointly issued the Guidelines for Financial Institutions adopting Enabling Technologies (the "Enabling Technologies Guidelines"). The Enabling Technologies Guidelines include suggested governance frameworks for areas, including Application Programming for All Enabling Technologies, Cloud Computing, Biometrics, Distributed Ledger Technology, Big Data Analytics and Artificial Intelligence.

The DIFC has not issued any laws or regulations explicitly regulating AI. However, amendments have been made to existing data protection legislation that applies in the DIFC for the purpose of capturing AI-related developments.

The UAE's national strategy to advance the AI agenda is closely tied to the development of comprehensive regulation. While current regulations, including data protection and IP laws, address some aspects of AI, they were not originally intended to govern AI-related products and services, and their objectives may not align with the specific requirements and challenges posed by AI technology. Therefore a more targeted regulatory approach is needed. This should include, inter alia, frameworks for liability, risk mitigation protocols, and contractual terms related to AI system deployment.



**Authored By:**

Mazen Rasamny  
Managing Partner



## LEGAL & REGULATORY UPDATE

### The workshop of the Updated Prescribed Company Regime at the DIFC Academy

The [Rasma Legal](#) Team recently had the privilege of participating in the workshop on the **Updated Prescribed Company Regime** at the [DIFC Academy](#).

This insightful session offered a profound exploration of the recent revisions to the Prescribed Companies Regulations instituted by the [DIFC](#), particularly the introduction of the Active Enterprises structure.

We gained a nuanced understanding of these significant developments and their potential impact on business operations within the DIFC. This knowledge will enable us to enhance our service offerings and empower our clients to fully capitalize on the benefits of these regulatory changes.





## LEGAL & REGULATORY UPDATE

# VARA's Introduction Stricter Marketing Regulations for VASPs

### VARA Introduces Stricter Marketing Regulations for Virtual Asset Service Providers in Dubai

The Virtual Assets Regulatory Authority [VARA] has updated its marketing regulations for Virtual Asset Service Providers (VASPs) in Dubai, effective from October 1, 2024. The updated '**Marketing Regulations for Virtual Assets and Related Activities 2024**' aim to enhance the transparency and integrity of marketing practices in the virtual assets sector. They emphasize accurate communication, avoiding misleading information, and safeguarding consumer interests. The regulations apply to all entities engaged in virtual asset marketing, regardless of their licensing status with VARA.

The new Marketing Guidance Document issued by VARA outlines best practices for VASPs on conducting compliant marketing activities. It covers key topics such as language usage in marketing materials, disclosure requirements, and ethical considerations. The guidelines stress that marketing must be "fair, clear, and not misleading" and vary depending on the communication channel, audience, and nature of the service or product being promoted.

Additionally, the guidelines address the treatment of sponsored content, requiring it to be clearly identified, and define monetary and non-monetary incentives offered by VASPs. Marketing campaigns targeting the UAE or GCC, including those in local languages or using local imagery, will be regulated under these provisions, and communications to groups of 50 or more individuals may also be classified as marketing activities.



## FINTECH UPDATE

# Botim Ultra's Launch of SNPL Service, Expanding Astra Tech's Fintech Ecosystem

### FBotim Ultra Launches SNPL Service, Expanding Astra Tech's Fintech Ecosystem

Astra Tech, a consumer technology group based in Abu Dhabi, has launched a new service called "Send Now, Pay Later" (SNPL) via its Botim Ultra App. The service is designed to allow the UAE's expatriate workforce to send money abroad in instalments, targeting those facing financial constraints, particularly at month-end.

SNPL is part of Astra Tech's expanding fintech ecosystem, which has seen steady growth in transaction volumes following the success of its remittance services in 2023.

Astra Tech's SNPL launch is part of its broader strategy to increase financial inclusion in the region. The company has recently acquired a Finance Company License through Quantix by the Central Bank of The UAE, allowing it to offer credit solutions like SNPL and Buy Now, Pay later (BNPL).

Botim will offer pre-registration for its nine million users ahead of the official launch.





## THOUGHT LEADERSHIP

# E-Wallet Regulations and Compliance in Lebanon

In Lebanon, the regulatory framework for E-Wallet services is defined by Banque du Liban (BDL) through Basic Circular 69 and Basic Decision 7548. These regulations ensure security, transparency, and reliability of electronic financial transactions.

This article provides a comprehensive overview of the key regulatory conditions and compliance obligations for E-Wallet providers in Lebanon, alongside a comparison with the Central Bank of the UAE's (CBUAE) Stored Value Facilities (SVF) Regulation (Circular No. 6/2020).

### Key Conditions for E-Wallet Service Providers:

E-Wallet service providers require authorization from Banque du Liban (BDL) prior to commencing operations in Lebanon.

Non-banking institutions providing E-Wallet services must maintain a minimum capital of LBP 50 billion. In the event of financial losses, they must restore their capital within six months to replenish their capital. Failure to do so may result in license revocation. Service providers must also commence operations within six months of receiving the BDL license, with possible extensions of up to six months in exceptional circumstances.

Correspondingly, failure to comply with these regulations or ceasing operations for six consecutive months results in license revocation.

Furthermore, the BDL mandates segregation protocols to safeguard funds. In particular, the total value of all E-Wallets must be held in a separate bank account from that of the licensed entity's funds. All transactions between customers must be processed in real-time to ensure security and transparency.

To mitigate the risks of money laundering and terrorism financing, e-wallet service providers must verify customer identities and the source of funds in compliance with relevant regulations. Each e-wallet must be linked to a customer's phone number to ensure clear identification.

Notably, the BDL has placed a cap on the total amount of funds for individual e-wallets, as follows:

- LBP 150,000,000 per day and LBP 150,000,000 per month for operations executed in Lebanese pound.
- USD 300 per day and USD 3,000 per month or their equivalent in other foreign currencies, for operations executed in US dollar or in any such foreign currencies approved by BDL Clearing House.

For legal entities, the maximum balance is LBP 4 billion or USD 50,000, with higher limits possible upon BDL's approval.

Users can fund their e-wallets through various methods, including cash, bank cards, bank accounts, or other e-wallets. Moreover, they are permitted to withdraw and transfer funds to bank accounts. However, all transactions must occur in the currency used to load the wallet, with no internal currency exchanges allowed. Users maintain control over their accounts with options to reject incoming funds or block other users.

E-Wallet providers may charge a maximum commission of 0.5% per transaction. Users receive immediate notifications for completed transactions.

#### Reporting and Disclosure Obligations

The BDL has imposed reporting obligations on e-wallet service providers, particularly, the submission of monthly reports to BDL's Payment Systems Department and the Money Services Businesses Department, detailing transaction volumes and values. The issuance and use of electronic money are strictly regulated, permitted only in compliance with BDL's current and future directives.

Read more on [LinkedIn](#)



**Authored By:**

**Jamal Abou Hassan**  
Associate



## Team Spotlight

We are thrilled to extend our heartfelt congratulations to Yara Abou zaki, our Junior Associate, for successfully passing the bar exam at the **Beirut Bar Association**!

Yara holds a master's degree in general and Comparative Law from the Lebanese University and brings over two years of valuable legal experience. Her expertise spans fintech law, virtual assets laws and regulations, civil law, corporate and commercial law, intellectual property law, and labour law.

Yara has excelled in preparing and reviewing legal documents, including various types of agreements, and addressing regulatory aspects. This includes developing policies for regulatory authorities such as VARA, Central Bank of the United Arab Emirates (CBUAE), Dubai Financial Services Authority (DFSA) and others, ensuring compliance and alignment with legal standards.

We look forward to seeing her continue to thrive in her legal career.



## UNITED ARAB EMIRATES | SAUDI ARABIA | LEBANON

Rasma Legal is a multi-service law firm catering to the innovation economy. The firm is headquartered in the United Arab Emirates (UAE) and has branches in Saudi Arabia (KSA) and Lebanon. Led by the expertise and leadership of Mazen Rasamny, Rasma Legal stands as a beacon of legal excellence, equipped to guide clients through their diverse legal undertakings. Having an extensive legal background spanning over 23+ years, Mazen Rasamny brings a wealth of knowledge and experience to the table.

The firm is focused on innovation and growth and has been instrumental in providing comprehensive legal services to entrepreneurs and start-ups in areas such as M&A, Corporate and Commercial laws, Debt & Equity Capital Markets, Banking & Finance (including Project Finance), Corporate & Financial Restructuring, Energy, Infrastructure, and Project Development.

The firm has also been recognized by several leading legal publications such as Asian Legal Business, IFLR1000, The Legal 500, Legal Era, The Law and more.

RASMANDATE is a monthly compilation of articles and legislative & regulatory updates, curated by Rasma Legal. This publication is intended to be circulated for informational purposes only. The publication in no way constitutes legal advice/opinion being provided by Rasma Legal to its readers or the public at large. Rasma Legal encourages readers to seek professional legal advice before acting upon the contents provided herein. The firm shall not be responsible for any liability or loss that may be attributed to the contents of this publication. This publication is the property of Rasma Legal, and the same may not be circulated, distributed, reproduced, or otherwise used by anyone without the prior express permission of its creators.

© 2024 Rasma Legal. All rights reserved.