

CFIX Virtual Asset Listing Policy & Asset Standards

1. INTRODUCTION

C F I X Virtual Assets Broker & Dealer Services L.L.C S.O.C (“CFIX”) is a virtual assets broker-dealer based in the UAE, operating under the regulatory framework of the Dubai Virtual Assets Regulatory Authority (VARA). As a Broker-Dealer, CFIX focuses exclusively on providing services related to market and limit orders as well as OTC trading, in compliance with VARA’s regulatory framework.

This document sets out CFIX’s Virtual Asset Listing Policy and Asset Standards, which governs the evaluation, approval, ongoing monitoring, and where necessary, suspension or delisting of all Virtual Assets offered through CFIX’s platform.

This policy is published on our website in its entirety in compliance with the VARA Market Conduct Rulebook, which requires VASPs to establish, maintain, and publicly disclose their Virtual Asset Standards.

2. CLIENT ASSET PROTECTIONS

Client VA Ownership and Insolvency Statement

Client Virtual Assets are not owned by CFIX and shall not form part of CFIX’s estate in the event of insolvency or liquidation. All client assets are held separately and in trust for the benefit of the clients, ensuring their protection from any claims against the company.

Prohibition on Taking Ownership

CFIX shall not take ownership of Client Virtual Assets under any client agreement or through any operational process. The company acts solely as a broker-dealer, facilitating transactions on behalf of clients while maintaining their full beneficial ownership.

Prohibition of Rehypothecation

CFIX shall under no circumstances engage in the rehypothecation of Client Virtual Assets. Client assets are held on at least a one-to-one basis and are not commingled with CFIX’s proprietary assets.

3. OBJECTIVE

CFIX is committed to admitting only those Virtual Assets that satisfy clear, risk-based criteria for transparency, legality, technical soundness, and market integrity. This policy explains how we evaluate an asset’s market metrics, technology design, regulatory treatment, issuer background, and ongoing compliance obligations, and it establishes the continuous-oversight mechanisms that safeguard our customers and the wider marketplace.

4. SCOPE AND APPLICABILITY

This policy governs the following:

- All new Virtual Asset listings, including pre-listing due diligence, evaluation, and approval processes
- All ongoing due diligence and periodic reviews of listed Virtual Assets
- All Spot and Over-The-Counter (OTC) activities offered under CFI's VARA Broker-Dealer licence

Prohibited Assets

The listing of privacy-focused coins (e.g., Monero, Zcash, Dash), assets designed for obfuscation, or assets originating from sanctioned jurisdictions is strictly prohibited. This prohibition extends to any Virtual Asset with characteristics that fundamentally contradict CFI's AML/CFT obligations or VARA's regulatory objectives.

Prior Approval for High-Risk Assets

Listings of certain high-risk Virtual Assets such as privacy coins, algorithmic stablecoins, or VAs with complex risk profiles are subject to prior explicit approval from VARA.

5. VIRTUAL ASSET STANDARDS

CFI has established comprehensive Virtual Asset Standards in accordance with the VARA Market Conduct Rulebook. These standards apply to every Virtual Asset that CFI offers through its Spot and OTC Broker-Dealer business.

Mandatory Assessment Criteria

Every candidate Virtual Asset is scored against the following criteria:

- **Market Metrics:** Market capitalisation, fully diluted value, average daily trading volume, and liquidity trends
- **Utility and Design:** Native use cases, token economics, and upgrade roadmap
- **Regulatory and Legal:** Treatment by VARA and other leading regulators, sanctions exposure, and intellectual property rights
- **Protocol Security:** Consensus mechanism maturity, hash rate, audited code, and bug bounty history
- **Manipulation Risk:** Supply concentration, wash trade indices, and oracle dependencies
- **Issuer and Developer Track Record:** Management probity checks, litigation scan, and media sentiment
- **Backing and Rights:** Asset-linked enforceability (if applicable) and reserve verification

- **Client Impact:** Suitability flags, Travel Rule friction, and potential conflicts of interest
- **DLT Protocol Security and Immutability:** Robustness, security, and immutability of the underlying distributed ledger technology, including consensus algorithm strength, network decentralisation, finality guarantees, historical incident record, and resistance to chain reorganisations or 51% attacks
- **Future Development and Roadmap:** The Issuer's and/or relevant developers' published roadmap, including planned protocol upgrades, governance milestones, token unlock and vesting schedules, ecosystem development commitments, and CFIX's assessment of the credibility, transparency, and feasibility of those plans
- **Price Manipulation Susceptibility and Mitigations:** Susceptibility of the Virtual Asset to price manipulation (including but not limited to wash trading, spoofing, layering, pump-and-dump schemes, holder-concentration risk, and oracle exploitation), together with the surveillance, position-limit, trading-halt, and other mitigating controls that CFIX will implement to address such risks
- **Conflicts of Interest and Mitigations:** Identification of any actual or potential conflicts of interest that may arise should CFIX provide Virtual Asset Activities in relation to the asset (including issuer relationships, employee or related-party holdings, market-maker arrangements, and listing-fee structures), together with the mitigating controls implemented by CFIX, such as information barriers, employee personal-account dealing restrictions, disclosure to clients, and independent oversight by the Listing Committee
- **Physical Market Correlation (where applicable):** Where the Virtual Asset references, is backed by, or otherwise relates to an existing underlying physical market or commodity, the terms and conditions governing the Virtual Asset must, to the extent possible, reflect the operation of that underlying physical market and avoid adverse impacts upon it
- **Asset Sufficiency to Satisfy Obligations:** Whether sufficient assets are available to satisfy any obligation that may arise with respect to the VA Activities CFIX provides in relation to the Virtual Asset, including the Issuer's or protocol's capacity to meet redemption, settlement, or delivery obligations, the adequacy and independent verification of any reserves or collateral backing the asset, and CFIX's own ability to maintain client holdings of that asset on a fully-backed basis

Tier Designation

- **Tier 1 (Blue-Chip):** Highest-scoring assets with top global liquidity (e.g., BTC, ETH)
- **Tier 2 (Established):** Strong-scoring assets with substantial liquidity (e.g., USDT)
- **Tier 3 (Watch-List):** Assets that do not meet the threshold but are granted a provisional monitoring window with committee waiver

6. MARKET METRICS AND LIQUIDITY PROFILE

Before an asset can be listed, CFIX verifies that its circulating-supply figures are transparent and that market-capitalisation calculations can be independently reproduced. We track fully diluted valuation, require issuers to disclose upcoming unlock or vesting events, and monitor both metrics for material variations. Acceptable liquidity must already exist on recognised venues or be contractually supported by a market-making arrangement that maintains orderly spreads.

A candidate Virtual Asset must exhibit a minimum 30-day average daily volume and a median bid-ask spread within acceptable limits across recognised exchanges. Failure to meet these metrics requires a market-maker commitment before approval.

7. TECHNICAL ARCHITECTURE AND SECURITY

The token's smart-contract code, governance privileges, and upgrade paths are reviewed for sound engineering and for any embedded powers that could create user-level risk. Issuers must articulate primary utility and governance functions in plain language. CFIX analyses the likelihood of unintended or illicit use and documents mitigations before approving the listing.

Smart Contract and Code Security

CFIX requires independent smart contract audits from reputable, vetted audit firms. Audit firms must demonstrate relevant security certifications, proven track records, no conflicts of interest with the issuer, and publicly available audit reports.

Oracle and Price-Feed Integrity

For any asset relying on external price or data oracles, issuers must provide a multi-provider oracle design, historical price-feed variance metrics, and proof of economic-attack resistance.

Burn and Mint Governance

Issuers must disclose all planned token-supply changes with smart-contract audits of mint/burn functions, pre-approval notice to CFIX, and post-event proof of supply reconciliation on-chain. Any unscheduled supply change triggers an immediate trading halt and investigation with VARA notification.

DLT Protocol Security and Immutability

CFIX assesses the security and immutability of the underlying distributed ledger technology (DLT) protocol on which a Virtual Asset is issued or operates. The assessment includes the maturity and security guarantees of the consensus mechanism, the degree of network decentralisation (including validator or miner concentration), historical incident record (including chain reorganisations, halts, double-spend events, and exploits), the protocol's finality guarantees, the strength of cryptographic primitives, and the protocol's demonstrated resistance to majority attacks and other systemic compromise events. Where a protocol has



experienced material security incidents or has known design weaknesses that have not been remediated, CFIX may decline to list, suspend, or delist the Virtual Asset.

Future Development and Roadmap

CFIX evaluates the Issuer's and/or relevant developers' published future development plans, including the asset's roadmap of protocol upgrades, governance milestones, ecosystem deliverables, token unlock and vesting schedules, and any planned changes to tokenomics or consensus design. CFIX considers the credibility, transparency, and feasibility of the roadmap, the historical track record of delivery against previously announced milestones, the governance process by which roadmap items are approved, and the potential client or market impact of upcoming changes. Material deviations from a previously announced roadmap, abandonment of development, or undisclosed governance changes may trigger enhanced review and, where appropriate, suspension or delisting. As part of pre-listing due diligence, CFIX requires Issuers to publish a development roadmap covering at least the next twelve (12) months and to notify CFIX promptly of any slippage or material change to that roadmap.

8. REGULATORY ALIGNMENT AND LEGAL INTEGRITY

External counsel confirms that the asset's structure and its offering documents comply with current UAE legislation, VARA rulebooks, and any relevant foreign laws. This review covers AML/CFT controls, sanctions screening, securities classification, and intellectual-property rights.

Stablecoin Peg and Redemption Review

For any stablecoin, the issuer must supply third-party attestation of reserve backing, a written redemption policy, and emergency unpeg controls and communication protocols.

ARVA Issuance Licence and Reserves

Where an asset is classified as an Asset-Referenced Virtual Asset (ARVA), the issuer must hold a current ARVA Issuance Licence. The issuer must provide quarterly, third-party attested proof of reserves demonstrating full backing of outstanding tokens.

Sufficiency of Assets to Satisfy Obligations

For every Virtual Asset, CFIX assesses whether sufficient assets are available to satisfy any obligation that may arise with respect to the VA Activities it provides in relation to that asset. This assessment considers, where applicable, the Issuer's demonstrated capacity to meet redemption, settlement, or delivery obligations; the existence, adequacy, and independent verification of any reserves or collateral that fully back the Virtual Asset (including third-party attested proof of reserves for stablecoins and Asset-Referenced Virtual Assets); the depth of market liquidity available to support orderly client withdrawals and settlement; and CFIX's maintenance of Client Virtual Assets on at least a one-to-one, fully-backed basis. Where CFIX determines that sufficient assets are not, or may not be, available to satisfy obligations

relating to a Virtual Asset, CFI X may decline to list, impose conditions or limits, suspend, or delist the asset in accordance with this policy, and will notify VARA where required.

9. VIRTUAL ASSET LISTING PRINCIPLES

CFI X adheres to the following immutable principles:

- **Regulatory Compliance and Permissibility:** A Virtual Asset must at all times be compliant with all applicable UAE and VARA regulations and must not be prohibited, restricted, or subject to adverse regulatory action
- **Transparency and Disclosure:** There must be readily available, verifiable, and comprehensive public information about the Virtual Asset, its technology, its issuer, and its operational model
- **Security and Technological Robustness:** The Virtual Asset must be underpinned by demonstrably robust, secure, and resilient technological infrastructure, including independent smart contract audits where applicable
- **Market Liquidity and Integrity:** The Virtual Asset should demonstrate sufficient trading volumes across reputable markets to ensure efficient execution and minimise manipulation risk
- **Legal Characterisation:** The asset's legal nature must be clearly characterised and must not qualify as a security or financial instrument unless explicitly authorised by VARA
- **Ethical Alignment:** The Virtual Asset and its project must align with CFI X's core corporate values, including promoting financial inclusion, responsible innovation, and environmental sustainability
- **Market Abuse Prevention:** Robust measures and surveillance capabilities must exist to monitor and prevent market abuse

10. ASSESSMENT AND DUE DILIGENCE

Design, Features, and Use Cases

CFI X performs a rigorous technical and operational evaluation of all Virtual Assets before onboarding and on an ongoing basis, assessing design, features, all potential use cases, technical specifications, tokenomics, operational mechanisms, security posture, asset availability, and regulatory alignment.

Issuer and Team Due Diligence

A comprehensive background review of the project's founders and key developers is conducted, including identity verification, sanctions screening, and review of reputational and legal history.

Asset-Specific Disclosures

For each listed Virtual Asset, CFI develops and prominently displays bespoke risk disclosures highlighting technological, economic, and regulatory risks specific to that asset.

- The freeze rationale, client impact, and all actions taken are fully documented

Price Manipulation Susceptibility and Mitigations

For every Virtual Asset, CFI assesses the asset's susceptibility to price manipulation and documents the controls that will be deployed to mitigate identified risks. The susceptibility assessment considers, among other factors, holder concentration and supply distribution, free-float relative to total supply, observed wash-trade indices on third-party venues, susceptibility to spoofing, layering and pump-and-dump activity, and dependence on price oracles or thinly traded reference markets. Mitigating controls include continuous trade surveillance with automated alerts, position and order-size limits, pre-trade and post-trade controls, circuit breakers and trading halts in disorderly conditions, oracle-divergence monitoring, restrictions on listing where free-float or liquidity is insufficient, and immediate escalation to the Compliance Officer and, where required, to VARA.

Conflicts of Interest Identification and Mitigations

Before listing any Virtual Asset, CFI identifies and documents any actual or potential conflict of interest that may arise from CFI providing Virtual Asset Activities in relation to that asset. Areas of inquiry include relationships between CFI (or its directors, officers, employees, shareholders, or affiliates) and the Issuer, developers, market makers, or liquidity providers; receipt of listing fees, rebates, marketing payments, or token allocations; personal-account holdings of CFI Staff in the candidate asset; and any commercial arrangements that could influence listing, ongoing review, suspension, or delisting decisions. Where a conflict is identified, CFI implements appropriate mitigating controls, which may include disclosure to clients, recusal of conflicted Staff from the Listing Committee decision, information barriers between commercial and compliance functions, restrictions on personal-account dealing, independent challenge by the Compliance Officer, and, where the conflict cannot be adequately mitigated, declining to list the asset. All conflicts identified, mitigations applied, and Listing Committee decisions are recorded and made available to VARA upon request.

Underlying Physical Market Correlation

Where a Virtual Asset references, is backed by, or otherwise relates to an existing underlying physical market, commodity, or asset class (for example, fiat-referenced stablecoins, asset-referenced Virtual Assets, or tokenised commodities or real-estate-referenced tokens), CFI ensures that the terms and conditions governing such Virtual Asset reflect, to the extent possible, the operation of that underlying physical market and avoid adverse impacts upon it. Pre-listing review covers the redemption mechanism, reserve composition, custody arrangements, settlement frequency, applicable market hours, and any cap, floor, or fee structure that could distort price discovery in the physical market. CFI reviews these terms and conditions on a periodic basis (no less frequently than annually) for

ongoing correlation with the underlying physical market and conformity with standards and practices in that market. Where material divergence emerges, CFI X may require remediation by the Issuer, suspend the asset, or proceed to delisting in accordance with the Staged Delisting Process set out in this policy.

Delisting Criteria

CFI X reserves the right to delist any Virtual Asset. Criteria include, but are not limited to:

- Regulatory prohibition, sanctioning, or adverse regulatory action
- Confirmed fraud, unethical conduct, or market manipulation
- Sustained critically low trading volume or insufficient liquidity
- Critical technical vulnerabilities, exploits, or protocol abandonment
- Lack of issuer support, non-cooperation, or confirmed insolvency
- Material whitepaper violations or failure to deliver key milestones
- Formal investigations against the issuer or asset
- VARA direction

Staged Delisting Process

Upon a formal delisting decision, CFI X implements a minimum 30-day staged process unless otherwise directed by VARA or in the case of an immediate security threat:

- Phase 1 (Days 1–14) – Trading Halt and Communication: The asset is set to withdrawal-only mode. Comprehensive client notifications are issued, detailing the rationale, timeline, and withdrawal process.
- Phase 2 (Days 15–30) – Withdrawal Period: The asset remains in withdrawal-only mode. Dedicated client support facilitates asset transfers to external wallets.
- Phase 3 (Post-Day 30) – Treatment per Client Agreement: Any remaining client assets are handled in accordance with the Client Agreement and VARA requirements, which may include conversion to a permitted Virtual Asset or fiat currency at a pre-defined rate, subject to transparent client disclosure.

11. PROOF OF RESERVES AND REDEMPTION

Reserve Principles

- All client balances are fully backed by CFI X-held reserves under MPC wallet architecture. No fractional backing is permitted.
- Client funds are segregated from operational, proprietary, and treasury assets in dedicated Fireblocks workspaces.



- CFIX aims to publish cryptographic proof-of-reserves at regular intervals and subject to external audit.
- Clients can redeem assets on demand, subject to operational cutoffs and AML/CFT checks.

12. RISK DISCLOSURES AND NO GUARANTEE DISCLAIMER

The fact that a Virtual Asset is listed on the CFIX platform does not constitute a guarantee of its relevance, intrinsic value, growth, technical suitability, or trustworthiness. CFIX does not provide any guarantees whatsoever regarding listed tokens or their performance.

Trading in Virtual Assets is associated with high risks, and the value of Virtual Assets is neither regulated nor guaranteed. It is subject to extreme volatility. Clients are required to review CFIX's comprehensive Risk Disclosure Statement, Terms of Service, and asset-specific risk notices before engaging in any Virtual Asset activity.

In no event shall CFIX bear responsibility or liability for the decision to list or delist a Virtual Asset, provided CFIX has acted in good faith, with due diligence, and in full compliance with this policy and all applicable laws.

13. CLIENT SUITABILITY

For high-risk Virtual Assets, CFIX assesses client suitability based on declared trading experience, risk appetite, financial capacity, and jurisdictional restrictions. Clients must explicitly acknowledge tailored risk disclosures before trading in such assets.

For Tier 3 or Watch-List assets, CFIX re-validates each client's risk profile before allowing continued trading.

14. POLICY REVIEW

This policy is reviewed at least annually by the VAEC, CTO, CISO, and Compliance and Risk Management Team. Out-of-cycle reviews are triggered by new VARA guidance, material incidents, FATF public statements, or significant changes in CFIX's business model. All changes are version-controlled, approved by the Board, and communicated to all relevant stakeholders.

15. CONTACT INFORMATION

For questions about CFIX's Virtual Asset Standards, listing criteria, or to report a concern:

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