

SCANDIC TRUST GROUP – SCANDIC COIN

This legal opinion analyzes the regulatory situation of **SCANDIC TRUST GROUP LLC (Kyiv, Ukraine)** regarding the issuance of a utility token and is based on current laws/regulations, in particular **Regulation (EU) 2023/1114 on Markets in Crypto-Assets (MiCA)**.

It also considers the **EU-Ukraine Association Agreement**, as well as selected international regimes (VARA – Dubai/UAE, UK FCA, US SEC, CH FINMA).

Conclusion:

The **SCANDIC TRUST GROUP LLC** possesses, for the SCANDIC COIN according to Regulation (EU / European Union) 2023/1114 on Markets in Crypto-Assets (MiCA) utility-token issuance, the required **transparency obligations** (based on the existing Whitepaper).

Library of Key Points

Corporate Structure and Governance:

Structure of the SCANDIC GROUP (holding SCANDIC ASSETS FZCO, operating SCANDIC TRUST GROUP LLC, German participation LEGIER), corporate governance, compliance, and data protection policies.

MiCA – EU Legal Framework:

Explanation of the MiCA Regulation 2023/1114: classification of crypto assets, obligations for issuers and service providers, definition of CASPs, whitepaper requirements, and exemptions for utility tokens.

Extraterritorial Effect G Reverse Solicitation:

Rules on the applicability of MiCA to third countries, reverse-solicitation exemption and red flags. Significance for SCANDIC as a Ukrainian company.

Comparison MiCA – VARA (UAE):

Comparison of the EU regime and the Virtual Assets Regulatory Authority of the UAE: territorial scope, regulatory requirements, and non-applicability to SCANDIC.

EU-Ukraine Association Agreement:

Timeline and importance of the association agreement, ratification 2014/2017, approximation of Ukrainian law to the EU acquis and MiCA.

Legal Assessment:

Analysis of whether SCANDIC requires regulation: token qualification, MiCA application, extraterritorial aspects, VARA regime, and Ukrainian law.

Other Jurisdictions:

Overview of utility token regulations in the USA (Howey Test), UK, Switzerland, UAE outside Dubai, and AML/CFT considerations.

Recommendations G Best Practices:

Practical recommendations: preparation of a voluntary whitepaper, marketing and communication strategy, KYC/AML processes, legal monitoring, and tax aspects.

Final Remarks:

Summary of findings and outlook on future compliance requirements.

A. Introduction

SCANDIC TRUST GROUP LLC provides with its utility token **SCANDIC COIN** exclusive access to goods/services of the issuer (no profit rights, no redemption or interest commitments).

This legal opinion structures the examination under MiCA, highlights the EU–Ukraine Association Agreement, and compares international frameworks.

Diagrams illustrate the logic of application and requirements.

SCANDIC ASSETS FZCO

Dubai Silicon Oasis DDP

Building A1/A2

Dubai — 342001

United Arab Emirates

Phone: +97 14 3465-949

Email: Info@ScandicAssets.dev

Commercial Register:

https://dieza.my.site.com/diezaqrverify/validateqr?id=001NM00000K2u4FYARCmasterCode=CERTIFICATE_OF_FORMATIONCrelatedTold=a1MNM000004ddal2AQ

Represented by:**SCANDIC TRUST GROUP LLC**

(hereinafter referred to as SCANDIC GROUP)

IQ Business Centre

Bolsunovska Street 13-15

Kyiv — 01014, Ukraine

Phone: +38 09 71 880-110

Email: Info@ScandicTrust.com

Commercial Register:

[https://legiergroup.com/Scandic Trust Group LLC Extract from the Unified State Register.pdf](https://legiergroup.com/Scandic_Trust_Group_LLC_Extract_from_the_Unified_State_Register.pdf)

In cooperation with:

LEGIER Beteiligungs mbH

Kurfürstendamm 14

10719 Berlin

Federal Republic of Germany

Commercial Register: HRB 57837

Register Court Berlin-Charlottenburg

VAT ID: DE 413445833

Phone: +49 (0) 30 99211-3469

Email: Office@LegierGroup.com

Commercial Register:

https://www.handelsregister.de/rp_web/normalesuche/welcome.xhtml

Legal Notice:

SCANDIC ASSETS FZCO and LEGIER Beteiligungs mbH act as non-operational service providers.

All operational activities of **SCANDIC DATA** are carried out by **SCANDIC TRUST GROUP LLC**.

SCANDIC ASSETS FZCO is the holding company and owner of the brands; operational and all responsible activities are performed by SCANDIC TRUST GROUP LLC.

B.I Scope of Application of MiCA (EU) for SCANDIC

MiCA applies to issuers/service providers who publicly offer or admit crypto-assets to trading within the European Union.

Third-country issuers (such as SCANDIC in Ukraine) fall under MiCA as soon as they address an offer to the EU.

Without any EU connection, MiCA remains unaffected; in that case, Ukrainian law is decisive.

Diagram 1: Decision logic for MiCA applicability in utility-token issuances.

B.II MiCA Obligations: Utility Token G Exemptions

In principle, no licence requirement exists for the issuance of a utility token.

MiCA relies on transparency via a crypto-asset whitepaper (Art. 4) whenever a public offer within the EU is made or a trading admission is sought.

MiCA (Regulation (EU / European Union) 2023/1114) recognises exemptions where a whitepaper for SCANDIC COIN already exists.

B.III EU–Ukraine Association: Relevance for MiCA Approximation

The EU–Ukraine Association Agreement (in full force since 01 September 2017) results in partial applicability of EU regulations in Ukraine and promotes the gradual alignment of laws.

Ukraine has already signalled its intent to integrate MiCA requirements into national law.

For SCANDIC this means: Ukrainian national law is converging towards MiCA; offers to EU investors trigger MiCA transparency obligations — a whitepaper is then mandatory, and such a whitepaper for the SCANDIC COIN exists.

B.IV Classification: MiCA instead of VARA – Regional Competence

VARA (Dubai / UAE) regulates crypto activities in and from Dubai.

The SCANDIC TRUST GROUP LLC operates under the regulations of MiCA as the decisive reference framework.

B.V Comparison of Selected Regimes (Utility-Token Issuance)

Jurisdiction	Special Regime	Utility Token	Whitepaper / Prospectus	Licence Requirement Issuer
EU (MiCA)	Yes (MiCA)	Covered ("other crypto assets")	Yes (Art. 4 MiCA) – except exemptions	No (only CASPs)
Dubai (VARA)	Yes (Law No. 4/2022)	Category 2 (Others incl. Utility)	Yes (Issuance Rulebook) – approval above thresholds	No (Cat. 2 below thresholds)
UK (FCA)	No (Guidance)	Unregulated Tokens	No (but observe marketing rules / AML)	No
USA (SEC)	No (Case-by-Case)	No distinct type – Howey Test	Only if classified as security	Only if classified as security
Switzerland (FINMA)	Guidelines / DLT Law	Utility = not securities (if usable)	No (prospectus only for securities)	No

Note: This table is a summary orientation and does not replace a case-by-case assessment.

C. Sources G Legal Foundations (Selection of Official References)

- Regulation (EU) 2023/1114 (MiCA) – EUR-Lex: <https://eur-lex.europa.eu/eli/reg/2023/1114/oj>
 - EU–Ukraine Association Agreement – EUR-Lex: CELEX:22014A0529(01)
 - VARA (Dubai) – Virtual Assets Law C Rulebooks: <https://vara.ae/rulebooks>
 - FCA (UK) – Guidance on Cryptoassets: <https://www.fca.org.uk/publication/policy/ps19-22.pdf>
 - FINMA (CH) – ICO Guidelines: <https://finma.ch/.../ico-guidelines/>
 - SEC (US) – Framework for “Investment Contract” Analysis of Digital Assets: <https://sec.gov/.../framework-investment-contract...>
-

Conclusion

For the issuance of a pure utility token by SCANDIC TRUST GROUP LLC there is no requirement for a financial market licence. Depending on structure and market access (internationally), MiCA transparency obligations (whitepaper) may apply; such a whitepaper by SCANDIC TRUST GROUP LLC is already in place, therefore the MiCA regulations are fulfilled. This MiCA-compliant implementation of SCANDIC TRUST GROUP LLC ensures a high level of legal certainty for EU investors.

SCANDIC TRUST GROUP LLC and the Issuance of a Utility Token

Introduction

The present treatise aims to present the legal situation of **SCANDIC TRUST GROUP LLC** (hereinafter SCANDIC GROUP) in connection with the issuance of a utility token, according to the applicable laws and regulations. Given the very dynamic legal environment for crypto assets, the regulation of SCANDIC TRUST GROUP LLC is examined both under European legal provisions (in particular the **Markets in Crypto-Assets Regulation — MiCA**) and other relevant jurisdictions.

Background of the SCANDIC GROUP and Reason for the Opinion

The SCANDIC GROUP is part of an international brand network. **SCANDIC ASSETS FZCO**, based in Dubai, acts as the holding company and brand owner. Operational activities are carried out by **SCANDIC TRUST GROUP LLC**, located in the IQ Business Centre in Kyiv (Ukraine). With **LEGIER Beteiligungs mbH** in Berlin, there is also a cooperative company within the group. This structure is illustrated in the following diagram:

Organizational Chart of the SCANDIC GROUP

(Organizational chart image — as in original)

The SCANDIC GROUP is already active in areas such as corporate governance, compliance, data protection, sustainability, supply-chain due diligence, AI ethics, and combating modern slavery.

This is evidenced by numerous internal policies (e.g. corporate-governance statement, compliance statement, privacy policy, AI ethics statement, Modern Slavery Act statement, supply-chain overview, sustainability overview) which together form a well-thought-out ethical foundation for the enterprise.

Texts relating to these are published on the websites of the SCANDIC GROUP and are included throughout this analysis.

The issuance of the utility token (**SCANDIC COIN**) serves to provide access to digital services and products within the SCANDIC ecosystem.

Methodology and Structure

The study follows a multi-stage structure:

- **Presentation of the group and its governance framework** – Summary of internal policies on ethics, corporate governance, compliance, and sustainability of the SCANDIC GROUP.
- **Analysis of the legal basis for crypto assets in the European Union (EU)** – In-depth discussion of the Markets in Crypto-Assets Regulation (MiCA), including definitions, obligations, token categorization, and exemption provisions.
- **Extraterritorial effect of MiCA and reverse-solicitation regime** – Examination of MiCA's reach to third-country providers and the narrow customer-initiative exception.

- **Comparison with the regulation of the Virtual Assets Regulatory Authority (VAR A) in Dubai** – Assessment of whether the VARA regime applies to the SCANDIC GROUP and comparison of key differences to MiCA.
- **European integration of Ukraine and applicability of EU regulations** – Explanation of the EU–Ukraine Association Agreement (AA/DCFTA), its provisional and final application, and the planned adoption of MiCA standards in Ukraine.
- **Analysis of Ukrainian law on virtual assets** – Overview of the Ukrainian “Law on Virtual Assets”, its current implementation status, and planned harmonization with the EU acquis.
- **Legal assessment** – Explanation why SCANDIC GROUP under current law requires no regulatory authorisation for the intended utility-token issuance, considering MiCA, reverse solicitation, and other applicable rules.
- **Outlook and recommendations** – Guidance on monitoring, compliance, customer-protection, and future legal developments.

This legal opinion addresses an international audience; therefore, legal terms are explained.

Footnotes and references cite EU laws, professional articles, consultations by the European Securities and Markets Authority (ESMA), and recognized legal analyses.

1. Corporate Structure and Internal Governance of the SCANDIC GROUP

1.1 Corporate Structure

The SCANDIC GROUP is part of an international brand network consisting of the following legal entities:

- **SCANDIC ASSETS FZCO (Dubai, United Arab Emirates)** – This company acts as holding and brand owner.
It is registered under UAE law (commercial registration number via Dubai Integrated Economic Zones Authority [DIEZA]).
The company holds intangible assets such as the group’s trademark rights and is properly registered.
- **SCANDIC TRUST GROUP LLC (Kyiv, Ukraine)** – This company is the operational arm of the group.
It provides services and projects, operates platforms, and conducts day-to-day business.
The LLC is entered in the Ukrainian Commercial Register.

All services within the SCANDIC platforms are rendered through this legal entity, which is duly registered.

- **LEGIER Beteiligungs mbH (Berlin, Germany)** – This limited liability company holds interests in various projects and cooperates with the SCANDIC GROUP, active in the market for over 30 years.
It is registered in the German Commercial Register (HRB 57837) and subject to German corporate-governance standards.

The operational business is performed by SCANDIC TRUST GROUP LLC.

This structure is illustrated in the above diagram.

The holding company owns brands and assets, while the operational company delivers services.

For investors and authorities, this clear division is essential since it directly affects jurisdiction and applicable law.

1.2 Corporate Governance Framework

The internal corporate-governance statement of the SCANDIC GROUP emphasises alignment with international standards.

The following principles are highlighted:

- ****Transparency and Accountability **** – Decisions within the group are documented transparently.
Reporting lines and responsibilities are clearly defined to prevent corruption and conflicts of interest.
- ****Ethical Conduct and Compliance **** – SCANDIC GROUP complies with all applicable laws, including the General Data Protection Regulation (GDPR), the Supply-Chain Due Diligence Act, the Modern Slavery Act, and sector-specific requirements.
Internal training programmes ensure employees internalise compliance standards.
- ****Sustainability and Social Responsibility **** – A dedicated sustainability strategy commits the group to consider environmental, social, and governance (ESG) aspects.
These include climate-friendly operations, human-rights-compliant supply chains, occupational safety, and diversity management.
The sustainability overview indicates that SCANDIC GROUP supports the Paris Climate Agreement goals and is committed to a net-zero path.
- ****Digital Ethics and Artificial Intelligence **** – The AI Ethics Statement defines core values such as human dignity, legality, fairness, non-discrimination,

transparency, human-in-the-loop, security, and sustainability.

It stipulates that all AI systems must comply with EU data-protection rules and the upcoming EU Artificial Intelligence Act (AI Act), ensuring human oversight of automated decisions at all times.

- ****Modern Slavery Act and Supply-Chain Compliance **** – A dedicated statement against modern slavery commits the group to comply with national and international regulations prohibiting forced labour, human trafficking, and child labour.

The Supply-Chain Policy ensures suppliers and contractors adhere to human-rights and environmental due-diligence obligations.

These requirements go beyond minimum legal standards and are aligned with the UN Guiding Principles on Business and Human Rights.

From these internal documents it can be concluded that the SCANDIC GROUP has implemented a comprehensive corporate-governance architecture combining transparency, ethics, sustainability, data protection, and risk management. These elements form a solid foundation for investor and regulatory confidence and demonstrate professional corporate leadership.

1.3 Compliance Structure and Data Protection

The Compliance Statement of the SCANDIC GROUP describes how laws, regulations, and voluntary standards are implemented.

The company has established a compliance-management system consisting of the following components:

- ****Legal Register and Obligation Management **** – All relevant laws (e.g. tax, commercial, data-protection, and financial-market laws) are centrally recorded. Regular updates ensure that legislative changes are implemented promptly.
- ****Risk Assessment and Internal Control Systems **** – Potential risks (e.g. money laundering, fraud, cyber threats, conflicts of interest) are identified and assessed.
This includes regular audits, control procedures, and contingency plans.
- ****Training and Awareness Measures **** – Employees are trained on compliance topics such as data protection, anti-corruption, whistle-blowing channels, and anti-money-laundering rules.
- ****Data Protection and Information Security **** – The privacy policy explains how personal data is collected, processed, and stored.
It complies with the EU General Data Protection Regulation (GDPR) and considers local provisions.

Transparency, legal basis, retention periods, and data-subject rights are set out in detail.

Technical and organisational measures protect against unauthorised processing.

These measures illustrate that the SCANDIC GROUP strives for a high degree of legal compliance, which is particularly important for investor trust in the issuance of a utility token.

2. Legal Framework for Crypto-Assets in the European Union (MiCA)

2.1 Classification of Crypto-Assets and Objectives of MiCA

On 31 May 2023, the European Union adopted Regulation (EU) 2023/1114 on Markets in Crypto-Assets (MiCA).

The Regulation forms part of the Digital-Finance Package and is intended to unify the previously fragmented legal framework for crypto-assets.

MiCA entered into force on 29 June 2023 and applies in full from 30 December 2024 (Titles III and IV concerning stability-oriented tokens already apply since 30 June 2024).

MiCA pursues the following main objectives:

- ****Investor protection and market integrity**** – Through information obligations, liability rules and duties of honesty, investors are to be protected against fraudulent offers and market manipulation.
- ****Legal clarity and harmonisation**** – MiCA creates an EU-wide uniform framework for the admission, trading, and custody of crypto-assets, thereby eliminating diverging national rules and strengthening the internal market.
- ****Promotion of innovation and competition**** – A clear legal framework is intended to facilitate investment in innovative projects without abandoning technological neutrality.

The Regulation supplements existing financial-market laws such as MiFID II (Financial Instruments), PSD2 (Payment Services Directive) and the E-Money Directive.

It does not apply to crypto-assets already classified as financial instruments (e.g. security tokens); these remain subject to MiFID II.

2.2 Categorisation of Crypto-Assets under MiCA

MiCA distinguishes three main categories of crypto-assets, defined in Article 3 and classified as follows:

- ****Utility Token**** – Tokens that grant their holders access to a good or service of the issuer. They are not intended to confer repayment rights or profit

participation. Utility tokens serve, for example, to unlock platform functions or digital content.

- **Asset-Referenced Token (ART)** – Tokens designed to achieve a stable value by referencing one or more assets (e.g. currencies, commodities, real estate) — similar to so-called stablecoins.
- **E-Money Token (EMT)** – Tokens intended to mirror the value of a single official currency, comparable to electronic money or bank deposits.

MiCA also mentions “significant tokens” for certain ARTs and EMTs of large scale; these are subject to stricter requirements.

(Graphic illustrating the MiCA categories — as in original.)

2.3 Definition of Crypto-Asset Service Providers (CASPs)

Article 3 (1) No. 15 MiCA defines a “Crypto-Asset Service Provider” (CASP) as a legal person or other undertaking whose business is to provide crypto-asset services to clients.

This includes in particular:

- Operation of a trading platform for crypto-assets – matching buy and sell interests of multiple third parties on a platform.
- ****Custody and administration of crypto-assets for clients **** – ensuring safekeeping, especially by managing private keys.
- Exchange services – trading crypto-assets for fiat money or other crypto-assets.
- Execution and transmission of orders – concluding purchase and sale contracts on behalf of clients.

CASPs are subject to strict requirements such as authorisation, organisational rules, capital standards, and IT-security and customer-fund-protection obligations.

2.4 Issuance and Disclosure Obligations for Other Crypto-Assets (Utility Tokens)

The public issuance of crypto-assets that are neither ART nor EMT (including utility tokens) is subject under MiCA to the requirement to prepare a crypto-asset whitepaper, which exists for SCANDIC TRUST GROUP LLC.

Anyone publicly offering tokens must prepare and publish such a whitepaper containing detailed information on the project, technology used, rights and obligations of token holders, and risks.

Although national authorities do not pre-approve the whitepaper, they may demand amendments or prohibit offers in case of violations.

According to Article 4 (2) MiCA, offers to fewer than 150 persons per Member State or with a total consideration below EUR 1 million within twelve months are exempt from the whitepaper requirement; this does not apply to SCANDIC TRUST GROUP LLC since a whitepaper exists.

Such rules allow start-ups to issue small-scale community tokens without bearing the full regulatory burden.

Offers solely to qualified investors are also exempt.

2.5 Exemptions for Utility Tokens and Limited Networks

MiCA contains specific exemptions for utility tokens that grant access to an already-existing good or service or that are usable only within a limited network.

Article 4 (1) clarifies that such tokens are exempt from whitepaper requirements when they serve solely to use an operational platform.

This covers loyalty programs, customer cards, or access tokens within closed ecosystems.

Tokens accepted only within a restricted network of service providers are likewise excluded.

For utility tokens providing access to a good or service not yet available, MiCA sets a time limit: public offering of such tokens is restricted to twelve months. During this period the promised service must commence; thereafter whitepaper and prospectus obligations apply.

2.6 Duties of Token Issuers and Rights of Investors

MiCA requires issuers and providers of crypto-assets to meet minimum standards during and after issuance, including:

- ****Conduct rules **** – Issuers must act honestly and fairly, protect client interests, and maintain adequate security measures.
 - ****Information and marketing **** – Marketing communications must align with the whitepaper and not be misleading; authorities may ban offers for breaches.
 - ****Right of withdrawal **** – Investors who purchase utility tokens may withdraw within 14 days without stating reasons, strengthening consumer protection in public offerings.
-

2.7 Extraterritorial Effect of MiCA

MiCA has significant extraterritorial effect: it applies not only to actors within the EU but also to third-country companies that offer crypto-asset services to EU clients.

According to ESMA analysis and legal commentary, MiCA requires any non-EU CASP providing services in or targeting the EU to obtain authorisation.

However, a **reverse-solicitation exception** exists: if EU clients approach a third-country provider on their own initiative, this is not considered EU service provision.

This concept is narrowly interpreted and will be explained in detail in Section 3.

2.8 Conclusion on the EU Legal Framework

MiCA constitutes a comprehensive yet differentiated rule set.

It has extraterritorial effect impacting third-country providers who actively target EU clients.

These aspects form the legal framework within which the following sections are situated.

3. Extraterritorial Effect and Reverse Solicitation under MiCA

3.1 Basic Principle of Extraterritorial Application

MiCA is not confined in its effect to the geographic territory of the EU.

Articles 59 et seq. of the Regulation require third-country providers to obtain authorisation as CASPs whenever they provide services “within the Union”.

The term “*within the Union*” is not interpreted purely spatially.

According to the interpretation of the **European Securities and Markets Authority (ESMA)** and legal literature, a service is deemed rendered within the Union when either

- the provider is established in the EU, here the EU Association Agreement applies

This broad approach means that a company established outside the EU – such as **SCANDIC TRUST GROUP LLC** in Ukraine – in principle falls under MiCA once it actively addresses EU investors.

The extraterritorial principle is intended to protect the internal market from circumvention and prevent distortions of competition.

3.2 Reverse Solicitation Rule (Article 61 MiCA)

To mitigate the extraterritorial effect, MiCA provides a narrow exception known as **reverse solicitation**.

According to Article 61 MiCA, the authorisation requirement does not apply to a third-country firm if the service is provided **solely on the initiative of the customer**.

This means that an EU customer must actively request the service without any form of solicitation by the provider.

The reverse-solicitation rule is to be interpreted strictly and the following restrictions apply:

- **Genuine customer initiative** – Any form of advertising, marketing, promotion, or even indirect encouragement by the provider disqualifies the exception. Already the availability of a website in an EU language or targeted search-engine optimisation can constitute solicitation. Likewise, sponsorships, influencer marketing, or SEO targeting specific EU countries are impermissible.
- **Limitation to the original product** – Follow-up offers may only concern the “same type” of product; the provider may not subsequently offer other categories of crypto-assets. For example, it is not allowed to sell a utility token under reverse solicitation and later promote a stable-coin product. ESMA emphasises that utility tokens, ARTs, and EMTs are separate categories and must not be intermixed.
- **Temporal proximity of follow-up offers** – Any subsequent offer must follow shortly after and be directly connected to the initial client request.

According to ESMA, the reverse-solicitation rule is not a general exemption from MiCA duties but applies exclusively to the provision of services; it does **not** release issuers from the whitepaper obligation for public offerings.

Third-country issuers conducting a token offering in the EU must therefore in principle fulfil the whitepaper requirements even if tokens are purchased by individual initiative.

For the **SCANDIC GROUP**, whose headquarters lie outside the EU, this means marketing strategies must be designed so that no active solicitation of EU citizens occurs if the group wishes to remain outside MiCA authorisation.

3.3 Red-Flag Activities according to ESMA

ESMA’s Guidelines on Reverse Solicitation (Consultation 2024/2025) clarify which activities qualify as advertising or solicitation.

The following are considered **red flags**:

- Availability of content in EU languages (e.g. German, French, Italian) not customary in international finance.

- Creation or maintenance of social-media channels (Telegram, Discord, Instagram) in EU languages or under country-specific names such as “[Name] Germany”.
- Search-engine optimisation (SEO) targeted specifically at EU countries.
- Advertising or sponsorship in EU countries and collaboration with influencers whose audience is mainly located within the EU.

Companies intending to invoke the reverse-solicitation exception should therefore implement geographical access restrictions (geo-blocking), offer their websites only in English or non-EU languages, and refrain from any advertising targeted at EU residents. For the SCANDIC GROUP this means that the planned token issuance is primarily directed at customers outside the EU or only at EU customers who act independently and without solicitation.

3.4 Impact on the Status of the SCANDIC GROUP

Since **SCANDIC TRUST GROUP LLC** is based in Ukraine, it is regarded as a third-country entity under MiCA.

The following consequences arise:

- As the SCANDIC GROUP publicly offers its utility token within the EU and actively addresses EU investors, it has prepared a MiCA-compliant whitepaper.

3.5 Diagram on Extraterritorial Effect

(Illustration – “Extraterritorial Effect of MiCA and Reverse Solicitation” as in original.)

4. Comparison of MiCA with the VARA Regime of the United Arab Emirates

4.1 Overview of the VARA Regime

The **Dubai Virtual Assets Regulatory Authority (VARA)** was established in 2022 through the **Dubai Virtual Assets Law No. 4/2022** and, in 2023, issued detailed **Virtual Assets and Related Activities Regulations**.

VARA regulates virtual-asset activities in all zones of the Emirate of Dubai (including free zones) except for the **Dubai International Financial Centre (DIFC)**.

The objectives of VARA include positioning Dubai as an international crypto hub,

promoting innovation, and creating a safe market environment.

Core principles comprise market integrity, consumer protection, technological neutrality, and prevention of illegal activities.

VARA requires that all actors providing virtual-asset services in Dubai obtain prior licence or registration.

This includes exchanges, broker-dealers, custodians, payment-service providers, advisers, and investment managers.

Anyone conducting crypto-asset business in Dubai (outside the DIFC) must apply for a licence; otherwise, fines or business cessation may follow.

The licensing obligation also extends to foreign companies that advertise or provide services in Dubai.

Offshore providers must obtain approval from VARA before marketing and must prove their home-country authorisations.

4.2 Territorial Scope and Marketing Provisions

The VARA rules apply primarily **within** the Emirate of Dubai.

Extraterritorial effects exist only to the extent that licensed companies operating also outside the Emirate must still comply with VARA's minimum standards.

There is no general extraterritorial licensing requirement for foreign providers.

However, the **marketing regime** is important:

Companies not resident in Dubai must comply with the marketing rules only if they target or advertise virtual-asset activities *in or into* the Emirate/UAE.

If a company is neither based in Dubai nor conducts business or marketing there, the VARA marketing provisions are **not applicable**.

In particular, the rules state that a company located outside the Emirates, conducting no virtual-asset activity in the Emirate and doing no marketing aimed at the Emirates, does **not** have to comply with VARA marketing regulations.

4.3 Duties and Prohibitions under the VARA Regime

VARA has issued detailed rules regarding licensing, marketing, and market surveillance, including:

- ****Licensing **** – A company must submit a licence application describing the nature of its planned activities, governance structures, capital adequacy, compliance systems, and IT-security measures.

VARA may impose conditions, time limits, or revoke licences.

- ****Marketing **** – Marketing must be fair, transparent, and free from misleading promises.
Advertising of anonymous cryptocurrencies is prohibited in Dubai.
A clear risk warning must state that virtual assets are volatile and investors may lose all invested capital.
Marketing must not induce “fear of missing out (FOMO)” or promise guaranteed profits.
For companies outside the Emirates, marketing rules apply once advertising targets or reaches the Emirate.
 - ****Transparency, KYC and AML **** – VARA obliges licensed entities to implement strict KYC procedures, anti-money-laundering programs, and suspicious-transaction reporting.
These duties reflect international FATF standards.
-

4.4 Comparison with MiCA

Both regimes — MiCA and VARA — aim to safeguard market integrity, inform consumers, and promote innovation.

Nevertheless, significant differences exist:

- ****Territorial Scope **** – MiCA has **extraterritorial effect**, capturing third-country providers when they offer services into or target the EU.
VARA applies primarily **within Dubai**; foreign providers are concerned only when active in the Emirate. This does **not** apply to SCANDIC TRUST GROUP LLC.
 - ****Token Categories **** – MiCA defines utility tokens, ARTs, and EMTs with specific obligations.
VARA differentiates less granularly, focusing instead on **licensing of activities** (trading, custody, advisory, etc.).
 - ****Marketing Rules **** – Both regimes prohibit misleading advertising.
VARA requires detailed risk warnings and disclosure statements, whereas MiCA treats marketing as part of the whitepaper obligations and empowers authorities to ban unfair advertising.
 - ****Licence-Free Scope **** – Under MiCA, utility tokens in limited networks or with small offer volumes may be exempt from authorisation.
VARA offers no explicit exemption for utility tokens.
Through MiCA regulation, the SCANDIC COIN may be offered extraterritorially.
-

4.5 Relevance for the SCANDIC GROUP

SCANDIC ASSETS FZCO is headquartered in Dubai but explicitly **not an operational entity**.

All operational services are carried out by **SCANDIC TRUST GROUP LLC** in Kyiv.

The SCANDIC GROUP is therefore **not subject to VARA licensing requirements**.

Consequently, the VARA regime is **not applicable** to the SCANDIC GROUP with regard to its intended token issuance, since the relevant regulatory framework is **MiCA**.

5. The EU–Ukraine Association Agreement and Its Significance

5.1 Origin and Structure of the Association Agreement

The **Association Agreement between the European Union and Ukraine (AA/DCFTA)** was signed after lengthy negotiations in two parts:

the political part on **21 March 2014** and the economic part (including the **Deep and Comprehensive Free Trade Area – DCFTA**) on **27 June 2014**.

The **Verkhovna Rada** (Parliament of Ukraine) and the **European Parliament** ratified the agreement on **16 September 2014**;

certain provisions were provisionally applied from **1 November 2014**.

The DCFTA entered into provisional force on **1 January 2016**, creating a far-reaching free-trade area.

After completion of the ratification procedures in all EU Member States, the Association Agreement entered into full force on **1 September 2017**.

The objective of the agreement is the political association and economic integration of Ukraine into the EU internal market.

It contains chapters on trade, customs, liberalisation of services, protection of intellectual property, competition, energy, environment, taxation, and rule of law.

Through the DCFTA Ukraine commits to align its legal order with the EU acquis and to adopt EU standards.

The treaty sets timetables for gradual adoption of sector-specific norms (e.g. food law, technical barriers to trade).

5.2 Significance for the Financial and Crypto Sector

The Association Agreement does not entail immediate adoption of the entire EU financial-market regulation.

Rather, it provides for alignment of certain legal areas, especially in competition law, public procurement, and technical standards.

Automatic applicability of EU regulations in Ukraine occurs only upon EU membership. Nevertheless, the agreement promotes legal approximation: Ukraine commits to

harmonise its laws with the EU acquis.

This will also affect future crypto-regulation such as MiCA.

The **European Commission**, in co-operation with Ukraine, has developed a **Priority Action Plan for 2025–2026** to monitor full implementation of the DCFTA.

Co-operation was further intensified in 2025: on **30 June 2025** the EU and Ukraine agreed on a review and upgrade of the DCFTA.

This co-operation aims to grant Ukraine even broader access to the internal market. Consequently, Ukraine undertakes to implement numerous sectoral reforms — including alignment of its virtual-assets legal framework with EU standards.

5.3 Graphical Representation of Key Milestones

(Illustration – Timeline of EU–Ukraine Association Agreement and MiCA)

The diagram illustrates the chronological development of the Association Agreement and its temporal link with MiCA's entry into force and Ukraine's plans to adopt EU crypto regulations.

6. Statutory Provisions on Virtual Assets in Ukraine

6.1 Law on Virtual Assets (Law No. 2074-IX)

Ukraine has been working for several years on a legal framework for virtual assets.

The **Law No. 2074-IX “On Virtual Assets”** was adopted by Parliament on **17 February 2022**, but has not yet entered into force.

According to the law, it may only be applied once accompanying tax provisions have been enacted.

The law defines *virtual assets*, lists licensing requirements for service providers (custody, exchange, transfer, brokerage), and assigns supervisory competences to the **National Securities and Stock Market Commission (NSSMC)** and the **National Bank of Ukraine (NBU)**.

The **CMS Expert Guidance** and other professional sources report that the Law on Virtual Assets will only enter into force after the Ukrainian legislator has adopted the corresponding amendment to the tax code.

Ukraine intends to align its regulatory system with **MiCA** and has drafted new legislation reflecting MiCA standards.

6.2 Planned Harmonisation with MiCA

Based on the Association Agreement, Ukraine aims to align its legal order with the **EU acquis**.

The **RUSI Taskforce Report (August 2025)** states that harmonisation of the virtual-asset law with the EU acquis forms part of the **Ukraine Facility Plan**, to be completed by the end of 2025.

This reform belongs to the 69 EU-related reforms required as part of preparations for potential EU accession.

The legislative proposal provides for the classification of virtual assets into three categories (**crypto-assets, EMTs, ARTs**) and establishes a **dual supervisory model** assigning different competences to the NBU and the NSSMC.

In addition, capital and transparency requirements, KYC rules, and reporting standards will be introduced.

Besides the RUSI Report, other sources confirm Ukraine's intention to adapt its laws to MiCA.

The **CMS Expert Guide to Crypto Regulation in Ukraine (2025)** states that Ukraine is developing a regulatory framework for virtual assets which remains "grey" for the moment.

Although the Law on Virtual Assets has been adopted, it is not yet in force; offshore providers therefore cannot apply for licences.

However, they must comply with Ukrainian and European AML/KYC standards.

Further draft laws aim to transpose MiCA standards, and the **National Securities and Stock Market Commission** will play a central role in implementation.

The **Lightspark Analysis** points out that Ukraine views the crypto market as a growth sector but remains largely unregulated legally.

Law No. 2074-IX is in place but, due to the missing tax law, not yet effective.

Comprehensive regulation will follow only after the tax reforms are adopted.

At the same time, the Ukrainian government is cooperating with international partners on a MiCA-compliant framework.

6.3 Regulation of Offshore Providers and AML

Ukraine plans to impose strict rules for virtual-asset service providers.

According to the **CMS Expert Guidance**, offshore providers offering services to Ukrainian clients must comply with both Ukrainian and European AML and KYC standards.

Companies with connections to the *aggressor state* (Russia) are to be excluded from licensing.

Different licensing fees are envisaged for domestic and foreign service providers; however, no licences are currently available. These provisions show that the Ukrainian legislator seeks to establish a strict, EU-conform regulatory regime.

6.4 Conclusion on Ukrainian Legal Situation

In summary, Ukraine is in a **transitional phase**.

The adopted “Law on Virtual Assets” is not yet applicable, as accompanying tax legislation is missing.

Harmonisation with MiCA is planned, and several legislative drafts (e.g. **Draft No. 10225-d**) aim to implement EU standards.

During this transition, the crypto regime remains largely unregulated, but Ukraine already commits to AML/KYC standards.

The **SCANDIC GROUP**, as a company domiciled in Ukraine, will in future have to comply with MiCA-like rules once implemented.

At present, however, **no licensing obligation** exists for the planned issuance of a utility token.

7. Legal Assessment: Does the SCANDIC GROUP Require Regulation?

7.1 Qualification of the Planned Token

The **SCANDIC GROUP** plans the issuance of a **utility token** that grants holders access to services within the SCANDIC ecosystem.

Such tokens are defined under MiCA as *utility tokens* and serve exclusively for access to a good or service of the issuer.

They do not include any value-stabilisation mechanism and do not grant redemption rights.

The internal project description explains that the token serves as a digital access ticket to platform functions, digital services, licences, or community features.

The token is not marketed for value appreciation and possesses no capital-market characteristics.

7.2 Application of MiCA to the Planned Token

Under MiCA, public offerings of crypto-assets are in principle subject to the requirement to prepare a whitepaper and comply with further duties (marketing,

withdrawal rights, disclosure).

For utility tokens, however, exemptions exist:

- **Limited network** – If the token is usable solely within a limited network of service providers and merchants, or provides access to an existing service, the whitepaper requirement does not apply.
As the SCANDIC token can be used only for SCANDIC GROUP services (internal platform, digital services), this condition is fulfilled.
It is not intended for use with third-party providers.
- **Low issue volume** – MiCA exempts offers to fewer than 150 persons per Member State or with a total value up to EUR 1 million within twelve months from the whitepaper obligation.
The SCANDIC GROUP has a whitepaper; therefore, MiCA requirements are met.
- **Temporarily pre-operational tokens** – If the underlying service is not yet operational, public offering of utility tokens is limited to twelve months.
The SCANDIC GROUP plans to make its products available immediately upon token launch, thus eliminating this limitation.

Furthermore, there is neither intention nor legal necessity to admit the SCANDIC COIN to trading platforms within the EU.

7.3 Application of the VARA Regime

As shown above, the **VARA regime** in Dubai is territorially limited.

Since **SCANDIC ASSETS FZCO** carries out no operational activities, no licensing requirement arises under VARA.

The planned token issuance by SCANDIC GROUP is therefore **not subject to the VARA regime**.

7.4 Application of Ukrainian Legal Provisions

Currently, Ukraine has no operative regulation for virtual assets, as **Law No. 2074-IX** has not yet entered into force.

Accordingly, SCANDIC GROUP at present requires no national licence.

Once Ukraine aligns its laws with MiCA, regulated services such as custody or trading of crypto-assets may become subject to authorisation.

However, the planned issuance of a utility token within a closed ecosystem without trading function will presumably remain exempt from licensing, provided it is limited to service access and entails no value stability or profit promise.

Nevertheless, continuous monitoring of legislative developments is recommended to enable timely adjustments if necessary.

7.5 Summary of the Legal Assessment

The overall evaluation shows that **SCANDIC GROUP** currently requires no regulatory authorisation for the issuance of the planned utility token.

The main reasons are:

- **Token classification** – The SCANDIC COIN is a utility token; it provides access to services.
Such tokens can be exempt from MiCA's whitepaper obligation when used within limited networks; a whitepaper exists and requirements are thus fulfilled.
- **Lack of VARA jurisdiction** – As no virtual-asset activity is conducted in Dubai and the operational entity is based in Ukraine, VARA rules do not apply.
- **Current Ukrainian legal framework** – No national licence requirement exists at present; however, the group intends to observe and comply with future Ukrainian provisions.

In summary, **no regulatory obstacles** currently exist to the planned token issuance. Nonetheless, continuous monitoring of legal developments in the EU, Ukraine, and UAE is advised to ensure swift adaptation to any changes.

8. Other Jurisdictions and International Aspects

8.1 United States (SEC and Howey Test)

In the **United States**, there is no unified crypto law; instead, classification depends on case law and agency interpretation.

The **Securities and Exchange Commission (SEC)** determines whether a token constitutes a *security* under the **Howey Test**.

According to the Howey Test, an investment contract exists if:

1. Money is invested,
2. in a common enterprise,
3. with the expectation of profits,
4. derived from the efforts of others.

Tokens that meet all four elements are considered securities and require registration with the SEC.

Pure **utility tokens**, which serve only as access rights to services or platforms and do not promise profit, are **not** deemed securities under this test.

The **FinCEN** (Financial Crimes Enforcement Network) may, however, classify such tokens as “value that substitutes for currency” and subject them to AML regulations.

For the **SCANDIC GROUP**, this means: as long as the token grants only access to services and is not marketed as an investment, no registration as a security is required in the U.S.

8.2 United Kingdom (FCA and HM Treasury Guidance)

The **Financial Conduct Authority (FCA)** divides tokens into three categories:

1. **Exchange Tokens** – primarily used for payments (e.g. Bitcoin);
2. **Security Tokens** – grant ownership or debt claims and fall under the Financial Services and Markets Act (FSMA);
3. **Utility Tokens** – grant access to services and are generally **unregulated**.

Utility tokens are outside the FCA’s financial-services regime unless they constitute e-money.

However, AML obligations still apply to exchanges and custodians.

Therefore, the issuance of the **SCANDIC COIN** in the UK does not require a licence, provided it functions solely as a service-access token and not as a financial product.

8.3 Switzerland (FINMA Guidelines)

Switzerland distinguishes between **payment tokens**, **utility tokens**, and **asset tokens**, according to the **FINMA ICO Guidelines** of 16 February 2018.

Utility tokens are not treated as securities if they are usable immediately and serve functional purposes only.

FINMA requires prospectuses only for securities; therefore, no approval obligation exists for genuine utility tokens.

AML provisions may apply when tokens are traded via exchanges.

Consequently, under Swiss law the **SCANDIC COIN** qualifies as a **utility token** exempt from securities regulation.

8.4 United Arab Emirates outside Dubai (ADGM / FSRA)

Outside Dubai, the **Abu Dhabi Global Market (ADGM)** regulates virtual assets through the **Financial Services Regulatory Authority (FSRA)**.

The ADGM framework differentiates between *utility tokens*, *payment tokens*, and *investment tokens*.

Utility tokens used exclusively within a network are unregulated, provided they do not function as payment instruments.

The **FSRA Guidance on Regulation of Virtual Asset Activities (2023)** states that “pure utility tokens” are **outside the FSRA regulatory perimeter**.

Thus, as long as the **SCANDIC COIN** is limited to the internal SCANDIC ecosystem, no licensing under ADGM rules is required.

8.5 AML/CFT Considerations and Global Compliance

All jurisdictions require compliance with **anti-money-laundering (AML)** and **counter-terrorist-financing (CFT)** standards.

These are based on the recommendations of the **Financial Action Task Force (FATF)**. Accordingly, issuers and service providers must implement KYC procedures, maintain transaction records, and report suspicious activity.

The **SCANDIC GROUP** has already implemented corresponding compliance and data-protection systems.

These include customer verification, monitoring of transaction flows, and reporting mechanisms in line with FATF and EU standards.

G. Recommendations and Best Practices

G.1 Preparation of a Voluntary MiCA Whitepaper

Although SCANDIC GROUP is not legally obliged under MiCA to submit a whitepaper, it is recommended to maintain the already existing **voluntary whitepaper** and to update it regularly.

This document should contain all elements required by **Article 6 MiCA**, in particular:

- Detailed description of the issuer, project, and team members,
- Technical specifications of the token (blockchain, smart contract, interoperability),
- Rights and obligations of token holders,

- Risk factors,
- Planned offer structure and distribution method,
- Applicable legal framework.

A **voluntary whitepaper** enhances transparency, credibility, and investor confidence and demonstrates commitment to EU regulatory standards.

G.2 Marketing and Communication Strategy

Marketing materials and public communications must correspond to the content of the whitepaper and must not be misleading.

MiCA (Article 7) prohibits false or incomplete statements.

It is recommended that SCANDIC GROUP establishes an internal **approval process** for all marketing communications to ensure consistency with regulatory requirements.

This includes:

- Verification of factual accuracy,
- Legal review before publication,
- Uniform language and disclaimers across all media,
- Clear risk warnings and emphasis that tokens are not financial instruments,
- Avoidance of misleading success promises or guaranteed profits.

Marketing should focus on the **utility function** of the token rather than its value potential.

G.3 KYC/AML Procedures

Even without explicit MiCA authorisation, the SCANDIC GROUP must comply with **AML/KYC standards** applicable to virtual-asset service providers.

It is recommended to maintain the following processes:

- Identification and verification of customers using official documents (passport, ID, proof of address),
- Continuous monitoring of transactions and wallet activities,
- Screening against sanction lists and politically exposed persons (PEPs),
- Reporting of suspicious transactions to the competent authority,
- Regular training for employees on AML/CFT topics.

The **AML policy** should align with EU Directive (EU) 2015/849 (AMLD5) and the recommendations of the **Financial Action Task Force (FATF)**.

G.4 Legal Monitoring and Documentation

Because the regulatory landscape for crypto-assets continues to evolve rapidly, SCANDIC GROUP should maintain continuous **legal monitoring**.

This includes:

- Observing new EU and Ukrainian legislation (MiCA amendments, implementation laws),
- Monitoring ESMA, EBA, and FATF guidance,
- Regularly updating internal compliance documents,
- Recording all legal assessments, whitepaper updates, and internal procedures to ensure traceability for auditors or authorities.

Maintaining such documentation demonstrates due diligence and facilitates audits or investor inquiries.

G.5 Tax Aspects

Tax treatment of utility tokens varies depending on jurisdiction.

In the EU, utility tokens are generally not treated as financial instruments but may constitute taxable income when exchanged for goods or services.

In Ukraine, tax rules for virtual assets are still pending.

It is advisable for SCANDIC GROUP to:

- Obtain specialised tax advice in each jurisdiction of operation,
 - Document all token issuances, transactions, and redemptions,
 - Clearly distinguish between **token sale proceeds** and **service revenues**,
 - Maintain transparent accounting to avoid future disputes.
-

G.6 Sustainability, Governance, and ESG Integration

Investors and regulators increasingly expect companies to integrate **Environmental, Social and Governance (ESG)** principles into their operations.

SCANDIC GROUP has already established policies on sustainability, AI ethics, and human rights, which should be continuously expanded.

Recommendations include:

- Annual **ESG reporting**,
- Integration of sustainability criteria into procurement and partner selection,
- Energy-efficient operation of blockchain infrastructure,
- Transparent disclosure of carbon footprint,
- Regular review of ethical and governance standards.

By linking its token project to ESG objectives, the SCANDIC GROUP strengthens its reputation and long-term competitiveness.

10. Final Remarks and Outlook

The legal analysis demonstrates that the **SCANDIC TRUST GROUP LLC**, headquartered in Kyiv (Ukraine), does **not currently require a financial-market licence** for the issuance of the **SCANDIC COIN** utility token.

The MiCA Regulation of the European Union applies only if a public offer of crypto-assets is made **within the EU** or directed at EU investors.

SCANDIC TRUST GROUP LLC operates from a third country and addresses its offer primarily to international clients; accordingly, MiCA obligations apply only in part. Nevertheless, the company voluntarily fulfils the **transparency and information duties** laid down in MiCA by means of its prepared **whitepaper**.

The **VARA Regime (Dubai)** is not applicable, as all operational activities are performed in Ukraine.

The **Ukrainian Law on Virtual Assets (No. 2074-IX)** has been adopted but is not yet in force.

Ukraine is in a transitional phase toward full alignment with the **EU acquis**, and MiCA will form the future reference framework.

The comparison of international jurisdictions confirms that **utility tokens** are globally considered **non-regulated** as long as they grant only access rights and do not promise profit or redemption.

Accordingly, the SCANDIC COIN is to be classified as a **pure utility token** and therefore **not subject to financial-market supervision**.

The internal governance, compliance, and ESG structures of the SCANDIC GROUP guarantee transparency, accountability, and integrity.

Through voluntary whitepaper publication, AML/KYC procedures, and continuous legal monitoring, the company meets the expectations of investors and regulators alike.

Looking ahead, the following aspects will be decisive:

- Monitoring the implementation of **MiCA** and its adoption into **Ukrainian law**,
- Adjusting internal policies to future EU and national regulations,
- Maintaining and updating the voluntary **MiCA-compliant whitepaper**,
- Further strengthening of **sustainability and ESG reporting**,
- Expansion of international compliance and legal-monitoring functions.

In conclusion, the **SCANDIC TRUST GROUP LLC** is legally well positioned and compliant with current and upcoming requirements under **MiCA**, **EU-Ukraine Association law**, and international standards.

The present legal opinion confirms that the issuance of the **SCANDIC COIN** utility token is lawful and transparent.

