



PRESS RELEASE

FMA COMPARATIVE REPORT ON LICENSING AND REGULATION OF FINANCIAL INTERMEDIARIES IN OTC DERIVATIVES MARKET

In light of the press statement issued by the Financial Markets Association of Vanuatu (FMA), on some of its recommendations on securities regulatory matters including its key recommendation of establishing a physical office in Vanuatu, The Vanuatu Financial Service Commission, (VFSC), the integrated regulator for non-banking financial services wishes to inform that public that the physical presence requirement is already established by law. The requirement was originally enacted into law through the amendment of the Financial Dealers Licensing (Amendment) Act [CAP 70] in 2018, as part of the legal framework overhaul recommended by the FATF country assessment. The Financial Dealers Licensing Act [CAP 70] was further amended in July 2021, and subsequently the VFSC issued 12 guidelines that were launched by the Minister of Finance in September 2021. One of those guidelines is the guideline on physical presence which aims to strengthen the physical presence requirement and as of October 16 2021, all current license holders (145 companies) are required to undergo a relicensing process to ensure that they fully met the physical requirement criteria. The relicensing process is ongoing at this moment and will end on October 15th 2022.

All license holders who do not meet the physical presence criteria will have their licensee remove and will no longer be able to do business in Vanuatu.

All other recommendations made by FMA are issues that the VFSC has already discussed extensively with the service providers including capital adequacy requirements, Liquidity requirements, solvency requirements, Asset quality, etc. These additional regulatory standards will be enacted into law and implemented once the physical presence requirement is fully met by the licensees.


Branani Karan
Commissioner
VFSC



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