



PUBLIC NOTICE

VIRTUAL ASSET SERVICE PROVIDERS ACT NO. 3 OF 2025

In light of the Virtual Asset Service Providers (VASP) Act that was passed in parliament in March 2025, this notice serves to inform agents and interested parties on the key components of the Act. The VASP Act establishes a legal framework for licensing, Supervision and monitoring of Virtual Asset Service Providers (VASP), Initial Token Offerings (ITO), Fintech Sandbox Utility, consumer protection, operational integrity, and the development of virtual asset exchange and custodial industry.

1. VASP Classes

Section 11 (1) of the Virtual Assets Service Provider (VASP) Act introduces five classes of license which are:

<i>License Class</i>	<i>Activity</i>
Class D license	Authorize the exchange between virtual assets and fiat currencies or the exchange between one or more forms of virtual assets
Class D.1 license	Authorize the transfer of virtual assets
Class D.2 license	Authorize the safekeeping of virtual assets or enabling control over virtual assets
Class D.3 license	Authorize the participation in and provision of financial businesses related to both or either an issuer's offer and sale of virtual assets
Class D.4 license	Authorize a bank to operate the exchange between virtual assets and fiat currencies and the safekeeping of virtual assets or enabling control over virtual assets.

1.1. Application Requirements for license class D, D.1, D.2

Per Section 12 (3) of the VASP Act, all applications must:

- a) Be in writing and be in the prescribed form
- b) Be accompanied with the prescribed application fee
- c) State the class or classes of VASP license for which company is applying
- d) State any third party connected with the application (Agent)
- e) Provide all of the following:
 - i. A statement of the services that the applicant intends to provide;
 - ii. Proof of the company's physical presence in Vanuatu
 - iii. The details of the persons who own or control the applicant, including:
 - (A) The details of the beneficial owners of the applicant
 - (B) The information as required by the Commissioner on whether a person mentioned in subparagraph (A) is a beneficial owner, owner or controller of an entity licensed or registered under a law of Vanuatu or a foreign jurisdiction
 - (C) The details of the source of funds used to pay the capital of the applicant
 - iv. The details of the applicant's managers
 - v. Any other information and documents required by the Regulations
- f) Be verified in the manner required by the Commissioner

2. ITO

According to the VASP Act Section 11 (1), an ITO is classified under:

- *Class D.3 license* – To authorize the participation in and provision of financial businesses related to both or either an issuer's offer and sale of virtual assets.

This license class has a separate license application form and application requirement.

2.1. Application requirements for license class D. 3 (ITO)

As per section 30 (2) of the Virtual Asset Service Provider Act, the application must:

- a) Be in writing and be in the prescribed form

- b) Be accompanied with the prescribed application fee and
- c) Provide:
 - i. The certificate of incorporation of the company; and
 - ii. Proof of the company's physical presence in Vanuatu; and
 - iii. A white paper, together with a written legal opinion from an expert lawyer in virtual assets; and
 - iv. An approval letter, in respect to the initial token offering, issued by a VASP licensee within or outside of Vanuatu
 - v. The policies and measures to be adopted by the applicant in order to meet the obligations of the Act and the Anti-Money Laundering and Counter Terrorist Financing Act No. 13 of 2014; and
 - vi. Proof that the applicant has qualification and experience in managerial services in the business activities of initial token offering;
 - vii. The applicant's UBO and KYC
 - viii. Proof that the applicant has 2 years' experience in the business of initial token offering
- d) Be verified in the manner required by the Commissioner.

3. Fintech Sandbox Utility

Section 9 (1) of the Virtual Asset Service Providers Act defines a Fintech Sandbox Utility as the service that uses innovative technology to improve, change or enhance financial businesses.

A company which intends to carry on a virtual asset service and in a Fintech sandbox utility must apply to the Commissioner for his or her approval.

A company may be for any of the following:

- a) Virtual asset broker dealer
- b) Virtual asset wallets services
- c) Virtual asset custodian
- d) Virtual asset advisory services
- e) Virtual asset exchange
- f) Products which fall under licence A, B and C under the Financial Dealers Licensing Act [CAP 70]

3.1. Application requirements for Fintech Sandbox Utility

As per section 9 (5) of the Virtual Asset Service Provider Act, the application must:

- a) Be in writing and be in the prescribed form
- b) Be accompanied with the prescribed application fee

4. Requirements for Managers

An eligible person who wish to become a manager shall apply to the VFSC for an approval in the application form approved by the Commission (refer Appendix 4 of this guideline). An application fee is not charged in the initial application; however, fees are charged when the Manager changes / is replaced. Below is an outline of the criteria for an approval to be a manager:

- a) Is a natural person; and
- b) has met the fit and proper criteria as required under section 5 (5) of the Virtual Asset Service Provider Act and the fit and proper guidelines;
 - (i) At least one of the managers must reside in Vanuatu for a period of 12 consecutive months
 - (ii) The manager has at least 5-years' experience in the work of a VASP or ITO
 - (iii) The manager is directly concerned with the management of a company
 - (iv) The office of the manager is located in Vanuatu
 - (v) The manager has not received a sentence including a suspended sentence
 - (vi) The manager is not bankrupt
- c) any other requirements as the Commission may determine

5. Requirements for Directors

An eligible person who wish to become a director shall apply to the VFSC for an approval in the application form approved by the Commission (refer Appendix 4 of this guideline). An application fee is not charged in the initial application; however, fees are charged when the Manager changes / is replaced. Below is an outline of the criteria for a grant of a license to be a director:

- a) Is a natural person; and
- b) has met the fit and proper criteria as required under section 7 (5) of the Virtual Asset Service Provider Act; and
 - i. at least one of the directors must reside in Vanuatu for a period of 12 consecutive months
 - ii. the individual has not less than 2 years' experience in the work of a virtual asset service provider or management

- iii. the individual is the director or is directly concerned with the management of a company
 - iv. the office of the director is located in Vanuatu
 - v. the individual has not received a sentence including a suspended sentence
 - vi. the individual is not bankrupt
- c) any other requirements as the Commission may determine

6. Fee Structure

Per section 66 of the VASP Act, all application and licensing fees are as tabled below:

SERVICE	FEE
Manager's Application fee	VT 200, 000*
CTO's Application fee	VT 200, 000*
Director's Application fee	VT 200, 000*
VASP Class D Application fee	VT 20,000,000
VASP Class D License fee	VT 100,000,000
VASP Class D1 Application fee	VT 20,000,000
VASP Class D1 License fee	VT 100,000,000
VASP Class D2 Application fee	VT 20,000,000
VASP Class D2 License fee	VT 100,000,000
VASP Class D3 / Initial Token Offering (ITO) Application fee	VT 20,000,000
VASP Class D3 / Initial Token Offering (ITO) License fee	VT 100,000,000
VASP Class D4 Application fee	VT 20,000,000
VASP Class D4 License fee	VT 50,000,000
Fintech Sandbox Application fee	VT 200,000

*Only applies to any changes/ replacement to Managers, CTO's and Directors. A fee is **NOT** charged on the initial Application.

6.1. Annual Fees

The following annual fees will be applied on each anniversary of the grant of the license and is payable for the renewal and validity of the license:

SERVICE	FEE
VASP Class D License fee	VT 50,000,000
VASP Class D1 License fee	VT 50,000,000
VASP Class D2 License fee	VT 50,000,000
VASP Class D3 / Initial Token Offering (ITO) License fee	VT 50,000,000
VASP Class D4 License fee	VT 25,000,000
Fintech Sandbox License fee	VT 50,000,000

7. Application Forms

All application forms and a detailed list of application requirements can be found in the guidelines. These can be found on the VFSC website.

Anyone requiring any clarification on this matter should contact Mr. Joshua Tari on tjoshua@vfsc.vu or 22247.

DATED this 13th day of May 2025


Branan Karae
Commissioner

