



TRAVEL RULES GUIDELINES

SUPERVISION DEPARTMENT

Purpose:

As articulated in *section 59 of the Virtual Assets Services Providers Act No.3 of 2025*, this guideline supports compliance by Virtual Assets Services Providers Act of Vanuatu, which aim to prevent money laundering, terrorist financing, and other illicit activities through virtual asset transfer.

1. Scope and Applicability

This guideline applies to all licensed VASP's operating in Vanuatu, including those involved in:

- a. Virtual asset transfers between VASPs.
- b. Virtual asset transfers between a VASP and a self-hosted wallet.
- c. Traditional wire transfers involving virtual assets.

2. Obligation under the Travel Rules

2.1 Information collection and verification: Prior to executing a virtual asset transfer, a licensee must collect and verify the following originator and beneficiary information:

- Full name.
- Account number or unique transaction ID.
- Physical address (such as the Utility bills dated within the last six months, rental agreement etc.)
- Passports.
- National identity number, customer identification number or driving license.
- For legal entities, or unique identifier such as Business Identified Code (BIC) or Legal Entity Identifier (LEI) is needed.

Document submitted for authenticity verification must be official and issued by recognized entities such as utilities companies, banks, government agencies and must include clear identification details like the individual name, current physical address, and issuing authority logos or security features. Verification processes commonly employ document verification technologies such as Optical Character Recognition (OCR) to detect forgery, tampering, or inconsistencies, while further authenticity checks may include cross-referencing against third-party database or manual review to confirm genuineness.

Failure to provide complete originator information triggers enhanced scrutiny or potential refusal of the transaction.

2.2 Transmission of Information: The verified information on originator and beneficiary must be securely transmitted to the beneficiary VASP or the receiving party before the transfer is executed.

2.3 Record Keeping: The licensee must maintain records of this information and all related transactions for a minimum period of 7 years, ensuring data readily available for review by the Vanuatu Financial Services Commission (the “VFSC”) upon request.

2.4 Application Thresholds: The Travel Rule typically applies to virtual assets transfers equal to or exceeding a determined threshold USD/EUR 1,000, aligning with FATF guidance.

3. Due Diligence on Counterparties

Licensees are required to conduct due diligence on their counterparty VASPs before exchanging information originator and beneficiary information to ensure secure and compliant data transmission and trustworthiness.

Licensees must integrate the Travel Rule obligations with their AML/CTF Framework and implement effective customer identification and verification measures conforming to the Anti-Money Laundering and Terrorist Financing Code of Practice as stipulated under the FATF recommendations 16 and updated FATF Guidance on Virtual Assets and VASP.

The licensee must apply risk-based approach AML/CTF measures by undertaking sanction screening to ensure that neither originator or beneficiary is subject to financial sanctions.

4. Compliance and Reporting

The licensee must ensure ongoing compliance by:

- Filing quarterly report, annual returns, audited financial statements and technology reports to VFSC.
- Updating and maintaining fit and proper status and operational procedures aligned with the VFSC requirements under the Act, Regulations, and Guidelines.
- Reporting suspicious transaction related to virtual assets as per the AML/CFT obligations to the Vanuatu Financial Intelligence Unit and the VFSC.
- Non-compliance, such as late report filing, will attract penalties as prescribed by VFSC Act, Regulations, and Guidelines.

5. Data Security and Confidentiality

The licensee must implement robust technology and operational control to safeguard client information, ensuring information exchange is protected against unauthorized access or disclosure.

6. Cooperation with Authorities

The licensee must facilitate information sharing with competent authorities for investigation related to money laundering and terrorist financing promptly and transparently when requested.

7. Ongoing Monitoring and Updates

The licensees must continually update their systems and processes reflecting evolving FATF guidance, technical standards, and VFSC regulatory requirements on virtual assets.

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Branan Karae
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