

GUIDELINES ON AML/CTF/PF COMPLIANCE FOR VASPS

(January 2026)

SUPERVISION DEPARTMENT

1. Application of Guidelines

Applies to all VASPs and relevant licensees. It should be read together with the Act, the AML framework in Vanuatu, and VFSC/FIU directions.

2. Purpose

To set AML/CTF/PF expectations for VASPs aligned with FATF Recommendation 15 (VASPs) and other relevant FATF requirements, including Travel Rule controls and proliferation financing risk management.

3. Legal Basis

These Guidelines are issued under section 59 of the Virtual Asset Service Providers Act No. 3 of 2025 (the Act), and support VFSC's licensing, supervision and enforcement functions.

4. Core Regulatory Expectations

- Must conduct and maintain an enterprise-wide ML/TF/PF risk assessment covering products, customers, delivery channels, geography and technology risks.
- Must implement risk-based CDD/EDD, including beneficial ownership verification, PEP controls, and source of funds/wealth where required.
- Must implement transaction monitoring tailored to virtual assets (on-chain analytics where appropriate), including controls for mixers, privacy-enhancing tools, and high-risk DeFi exposure.
- Must implement Travel Rule compliance measures and risk-based controls for self-hosted wallets.
- Must implement targeted financial sanctions screening and PF red flag monitoring, and maintain freezing/escalation procedures.
- Must maintain an effective AML governance framework (MLRO, compliance officer, training, independent testing).

5. Reporting, Notifications and Records

- Must file STRs/SARs with the FIU in accordance with law and notify VFSC of material AML control failures.
- Must maintain AML records and audit trails for the minimum period required by law.

6. Supervisory Approach and Enforcement

- VFSC may require remediation, independent AML reviews, restrictions on higher-risk products/customers, or enforcement action for serious breaches.

7. Benchmarking Consistency (non-exhaustive)

- BMA Bermuda: Digital Asset Business Operational Cyber Risk Management Code of Practice (cyber and operational resilience baseline).
- FSC Mauritius: AML/CFT Guidance Notes for VASPs and IITOs (risk-based AML/CFT and supervisory expectations under VAITOS).
- CIMA Cayman Islands: Rule and Statement of Guidance - Market Conduct for VASPs (conduct, custody, disclosures, incident reporting).
- FSRA Saint Lucia: Virtual Asset Business Regulations (licensing, operational capability, cyber and AML/CFT expectations).
- MFSA Malta: VFA Rulebook Chapters (governance, systems audits, custody/ITA certification, and conduct obligations).

Please contact the following person should you have any questions:

Mr. Joshua Tari
Manager, Supervision Department
Email: tjoshua@vfsc.vu
Phone: (678) 22247
Fax: (678) 22242

Dated this 29th day of January 2026


Branan Karae
Commissioner

