



# **GUIDELINES ON MARKET CONDUCT FOR VASPS**

(January 2026)

**SUPERVISION DEPARTMENT**

## **1. Application of Guidelines**

Applies to all VASPs and related licensees providing services to customers, including exchanges, brokers, custodians, and token offerors.

## **2. Purpose**

To set expectations for fair dealing, disclosures, conflicts management, complaints handling, and client asset protections, in order to promote market integrity and consumer confidence.

## **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 act honestly, fairly and professionally in the best interests of clients and the integrity of the market.
- Must provide clear, balanced and not misleading disclosures on products, fees, risks, custody arrangements, and complaint channels.
- Must implement conflicts of interest policy and controls, including separation between proprietary trading and client order handling (where applicable).
- Must implement market abuse controls (wash trading, spoofing, manipulation), surveillance, and escalation processes.
- Must safeguard client assets and funds, including segregation, reconciliation, and prompt withdrawal processing.

## **5. Reporting, Notifications and Records**

- Must report material conduct incidents to VFSC (market manipulation events, system outages affecting trading, significant complaint spikes).
- Must maintain records sufficient to reconstruct trading activity and client instructions.

## **6. Supervisory Approach and Enforcement**

- VFSC may require changes to disclosures, restrict products, impose conditions, or take enforcement action for misconduct.

## 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:

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Dated this 29<sup>th</sup> day of January 2026

  
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Branan Karae  
Commissioner

