

GUIDELINES ON THE ISSUANCE OF NFTS AND NFT-RELATED ACTIVITIES

(January 2026)

SUPERVISION DEPARTMENT

1. Application of Guidelines

Applies to licensees issuing or facilitating NFTs, including marketplaces, minting platforms, custodial NFT services, and NFT-related token offerings.

2. Purpose

To provide regulatory clarity and minimum expectations where NFTs are issued, promoted, sold, or serviced by a VASP or ITO issuer, including where NFTs may constitute virtual assets or regulated products.

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 document a classification assessment (NFT utility/collectible vs financial product characteristics), and seek VFSC guidance where uncertain.
- Must provide clear disclosures on NFT rights (IP/licensing), royalties, transferability, platform risks, and custody arrangements.
- Must implement AML/CTF/PF controls proportionate to risks (including high-value NFTs, cross-border sales, and use of intermediaries).
- Must implement technology controls for minting, metadata integrity, and prevention of unauthorized minting or admin key compromise.
- Must implement market integrity controls to mitigate wash trading and manipulation in NFT marketplaces.

5. Reporting, Notifications and Records

- Must report material security incidents affecting minting, marketplaces or custody.
- Must include NFT activity metrics in quarterly reporting where NFTs are material to the business model.

6. Supervisory Approach and Enforcement

- VFSC may impose conditions, restrict misleading marketing, and take action where NFTs are used to circumvent licensing or AML requirements.

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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Branan Karae
Commissioner

