

GUIDELINES ON THE ROLES AND RESPONSIBILITIES OF DIRECTORS AND SENIOR MANAGEMENT OF VASPs

(January 2026)

SUPERVISION DEPARTMENT

1. Application of Guidelines

Applies to directors and senior management of all licensees under the Act.

2. Purpose

To set governance expectations, including director duties, accountability for risk management and compliance, and oversight of technology and AML/CTF/PF functions.

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 ensure effective governance, including appropriate board composition, independence, and competence for the business model.
- Must approve and oversee key frameworks: risk management, cybersecurity, custody, AML/CTF/PF, sanctions screening, and customer protection.
- Must ensure a culture of compliance and timely escalation of issues to VFSC where required.
- Must ensure adequate resources, segregation of duties, and effective three-lines-of-defence appropriate to scale.

5. Reporting, Notifications and Records

- Must provide VFSC with board-approved policies and minutes/extracts upon request.
- Must notify VFSC of board or senior management changes as required.

6. Supervisory Approach and Enforcement

- VFSC may take action against licensees and, where provided by law, individuals for governance failures or lack of effective oversight.

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

