



VANUATU FINANCIAL
= SERVICES COMMISSION =

VASP License Revocation Guideline

SUPERVISION DEPARTMENT

June 2026

1. Purpose

This Guideline establishes the regulatory framework and procedures applied by the Commissioner of the Vanuatu Financial Services Commission (VFSC) when considering the suspension or revocation of a license issued under the Virtual Assets Service Providers Act No. 3 of 2025 (Consolidated Edition 2026) (“the Act”).

This Guideline is intended to promote consistency, transparency, procedural fairness, and regulatory certainty in the administration of license revocation proceedings.

For the avoidance of doubt, this Guideline applies to all license holders regulated under the Act, including entities licensed to conduct activities classified under Class D.3 – Initial Token Offerings (ITOs). Under the Consolidated Edition 2026, ITO activities form part of the broader VASP licensing framework and are not treated as a separate licensing regime. Accordingly, references throughout this Guideline to a “Licensee” include all categories of licenses issued under the Act.

2. Legislative Basis

This Guideline is issued with reference to the following provisions of the Act:

- **Section 19:** Grounds for revocation relating to substantive regulatory and legal breaches;
- **Section 20:** Procedure for revocation following substantive breaches;
- **Section 21:** Revocation relating to failure to notify material structural changes or unsatisfactory structural changes;
- **Section 22:** Consequences of revocation and removal from the Register;
- **Section 37:** Grounds for revocation applicable to licensed activities including Class D.3 activities;
- **Section 38:** Procedure for revocation following substantive breaches;
- **Section 39:** Revocation relating to notification failures and structural changes; and
- **Section 40:** Consequences of revocation and removal from the Register.

PART A – STATUTORY GROUNDS FOR REVOCATION

3. Grounds for Initiating Revocation Proceedings

The Commissioner may commence license revocation proceedings where a Licensee is found to have committed either substantive regulatory and legal breaches, or structural notification and ownership disclosure breaches.

A. Substantive Regulatory and Legal Breaches

The Commissioner may initiate revocation proceedings where any of the following circumstances exist:

- **3.1 AML/CFT Compliance Breaches:** The Licensee has contravened the provisions of the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014, and an enforcement or administrative action has been imposed under Part 10AA of that Act.
- **3.2 Criminal Conduct:** The Licensee, or any person employed by or associated with the Licensee for the purposes of its licensed business, has been convicted of fraud in Vanuatu or elsewhere, or committed an offence under the Act.
- **3.3 Regulatory Non-Compliance:** The Licensee has failed to comply with any regulation, rule, directive, condition, or requirement issued under the Act.
- **3.4 Failure of Fit and Proper Requirements:** The Commissioner determines that the Licensee, or any director, shareholder, beneficial owner, controller, compliance officer, manager, employee, associate, or other key person connected with the Licensee, no longer satisfies the statutory fit and proper requirements prescribed under the Act.

B. Structural Notification and Ownership Disclosure Breaches

The Commissioner may also initiate revocation proceedings where a Licensee fails to comply with statutory notification requirements relating to material changes in ownership, control, governance, or financing arrangements.

- **3.5 Failure to Notify Material Changes:** A Licensee fails to notify the Commissioner in writing within fourteen (14) days of:
 - any change to a beneficial owner, controller, director, manager, compliance officer, chief information technology officer, or other key person;
 - any material circumstance affecting the fitness and propriety of a key person; or
 - any change affecting the source of funds or capital financing the Licensee.
- **3.6 Unsatisfactory Structural Changes:** The Commissioner, after reviewing a notified change, is not satisfied that a new key person is fit and proper; the ownership or control structure remains suitable; the source of funds is legitimate and transparent; or the Licensee continues to satisfy the requirements of the Act.

PART B – REVOCATION PROCEDURES

4. Procedure A – Revocation for Substantive Regulatory or Legal Breaches

4.1 Application

This procedure applies to matters arising under Sections 19, 20, 37 and 38 of the Act, including AML/CFT enforcement breaches, criminal convictions, offences under the Act, serious regulatory non-compliance, and failure to maintain fit and proper status.

4.2 Procedural Steps

Step 1 – Identification of Breach: The Commissioner identifies information indicating that one or more statutory grounds for revocation may exist.

Step 2 – Written Notice of Intention to Revoke: Before revoking a license, the Commissioner must issue a written notice to the Licensee stating the intention to revoke the license, the statutory grounds relied upon, the reasons supporting the proposed revocation, and the period within which representations may be made.

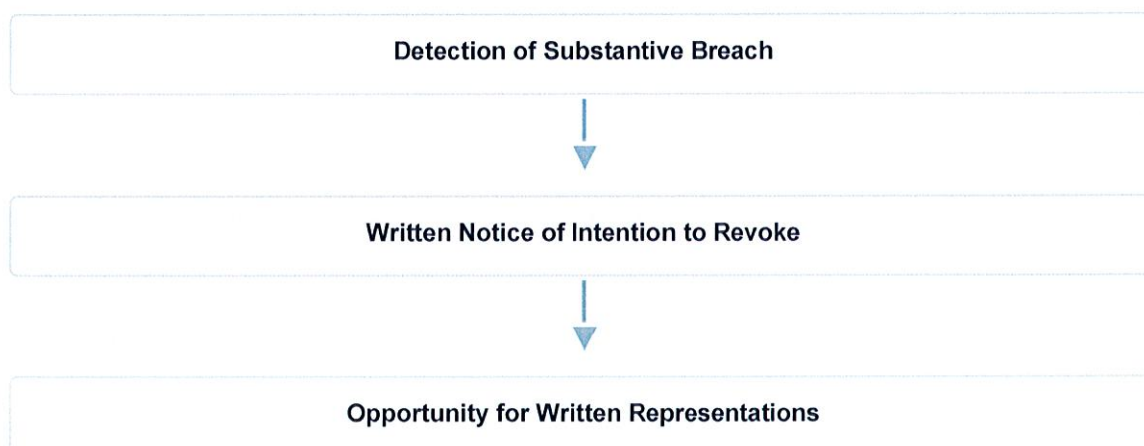
Step 3 – Opportunity to Make Representations: The Licensee may submit written representations, supporting evidence, remedial measures, explanations, or legal submissions within the period specified in the notice.

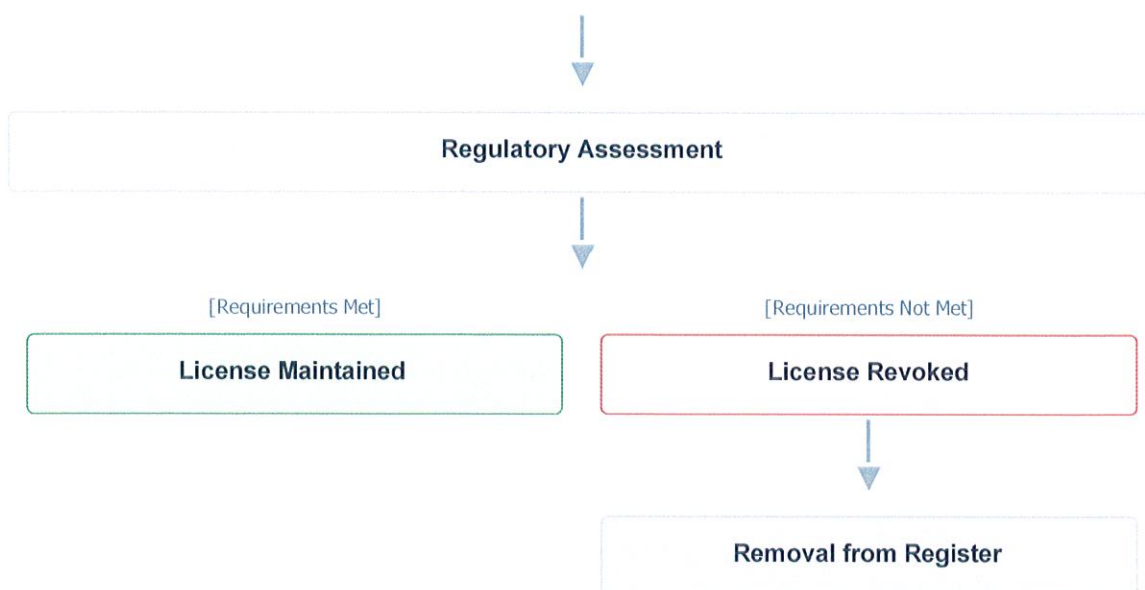
Step 4 – Regulatory Assessment: Upon receipt of any representations, the Commissioner shall consider whether the breach has been remedied, the seriousness of the breach, the ongoing suitability of the Licensee, public interest considerations, and any other relevant regulatory factors. Where no representations are received within the specified period, the Commissioner may proceed on the basis of the information available.

Step 5 – Final Determination: Following assessment, the Commissioner may maintain the license without further action, impose additional conditions where authorized by the Act, require corrective measures, or revoke the license.

Step 6 – Removal from the Register: Where revocation occurs, the Licensee shall be removed from the official Register in accordance with the Act and shall cease conducting licensed activities from the effective date of revocation.

Standard Revocation Workflow





5. Procedure B – Revocation for Structural Notification Failures

5.1 Application

This procedure applies to matters arising under Sections 21 and 39 of the Act relating to failures to notify material changes, unsatisfactory ownership or control changes, deficiencies relating to key persons, and concerns regarding the source of funds or capital.

5.2 Procedural Steps

Step 1 – Identification of Structural Non-Compliance: The Commissioner identifies either a failure to notify a material change within the statutory period, or a notified change that gives rise to regulatory concerns.

Step 2 – Notice of Intention to Revoke: The Commissioner must provide written notice specifying the intention to revoke the license, the reasons for the proposed revocation, and the Licensee’s right to respond.

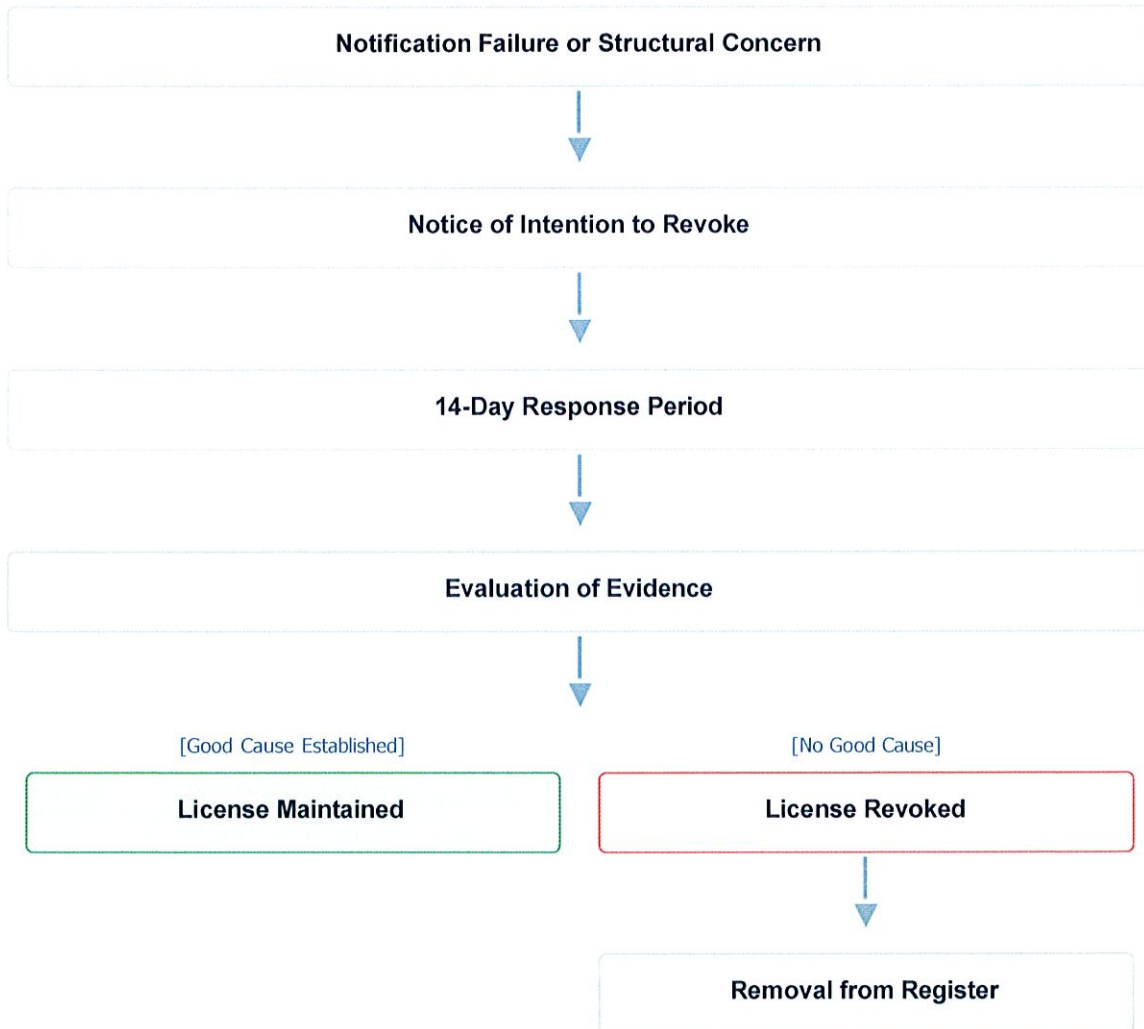
Step 3 – Fourteen-Day Statutory Response Period: The Licensee is entitled to submit written reasons, explanations, supporting documentation, due diligence materials, or corrective evidence within fourteen (14) days after receiving the notice.

Step 4 – Evaluation of Response: The Commissioner evaluates all materials submitted and determines whether the deficiency has been corrected, satisfactory justification has been provided, and the Licensee remains suitable to hold a license.

Step 5 – Final Determination: Where the Commissioner is satisfied with the response, the license remains in force. Where the Commissioner is not satisfied, or no response is received within the statutory period, the license may be revoked.

Step 6 – Removal from the Register: Upon revocation, the Licensee shall be removed from the Register and shall immediately cease carrying on any activity requiring a license under the Act.

Structural Notification Failure Workflow



PART C – EFFECT OF REVOCATION

6. Consequences of Revocation

Upon revocation of a license, the following mandatory statutory implications apply:

- The Licensee immediately loses authority to conduct any activity requiring a license under the Act.
- The Licensee's name is removed from the official Register maintained by the Commission.
- The Licensee must cease representing itself as a licensed VASP.
- Any additional statutory consequences prescribed under the Act shall apply.

PART D – REGULATORY ASSISTANCE

7. Enquiries



Licensees requiring clarification regarding regulatory obligations, remediation measures, notices issued under the Act, or approval requirements relating to key persons should contact the Supervision Department.

Contact Officer: **Mr. Joshua Tari**
Manager – Supervision Department

Email: tjoshua@vfsc.vu

Telephone: (+678) 22247

Issued this 3rd day of June 2026



Branan Karae
Commissioner

