

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

PRESS RELEASE

PUBLICATION OF THE VIRTUAL FINANCIAL ASSETS ACT

The [Virtual Financial Assets Act](#) ('the Act') has been enacted by Parliament on 4 July 2018 and has today been published on the Laws of Malta [website](#). Notwithstanding that the Act has been published, it is not yet in force and will take effect on such date as the Minister for Digital Economy may establish by notice in the Government Gazette.

The MFSA is currently devising the Virtual Financial Assets Framework ('the Framework') underlying and complementing the Act. In this regard, on 4 July 2018 the MFSA published a [Consultation Paper on the Virtual Financial Assets Regulations to be issued under the Virtual Financial Services Act](#) presenting a draft Legal Notice setting out regulations on: [i] exemptions; [ii] fees; [iii] control of assets; and [iv] administrative penalties and appeals ('the Regulations'). The period for this consultation closes today.

On 12 July 2018, the MFSA published a [Consultation Paper on the Virtual Financial Assets Rules for VFA Agents](#) presenting Chapter 1 of the proposed Virtual Financial Assets Rulebook ('the Rulebook'). This chapter sets out the: [i] high level principles which VFA Agents must adhere to; [ii] registration requirement and the respective registration process; [iii] on-going obligations for the VFA Agents; and [iv] enforcement and sanctions in the event of misconduct by VFA Agents. The period for this consultation closes on 31 July 2018. Further to the latter, the MFSA will be issuing Chapter 2 of the Rulebook (Virtual Financial Assets Rules for Issuers of Virtual Financial Assets) and Chapter 3 of the Rulebook (Virtual Financial Assets Rules for VFA Service Providers) for consultation in the coming weeks.

The final Regulations and Rulebook underlying the Act will be issued following consideration of the feedback received to the above-mentioned consultations.

The MFSA wishes to highlight that the Framework is in the meantime not yet in force. Therefore, the MFSA will be in a position to start receiving requests for approvals and authorisations under the Act once the Framework is operational. Updates and developments in this regard will be made public on the Virtual Financial Assets Framework's [page](#) on the MFSA [website](#).

Communications Unit

20th July 2018

Ref: 12-2018