

CIRCULAR TO THE INDUSTRY ON THE NOTIFICATION FORM IN RELATION TO THE TRANSITORY PROVISION UNDER ARTICLE 62 OF THE VFA ACT

1 Background

The Virtual Financial Assets Act (Chapter 590 of the Laws of Malta) ('the Act') came into force on 1 November 2018. Persons who started performing an activity or providing a service under the Act prior to the said date, should have notified the MFSA to avail themselves of the transitory period under Article 62 of the Act by 12 November 2018 as outlined in the [Circular to Persons Involved in DLT Asset Activity and Services](#) and [Circular: The Virtual Financial Assets Act comes into force](#).

2 Notification under Article 62 of the Act

The MFSA has reviewed and analysed the information included in the forms submitted and informs the industry of the following:

2.1 *Partially completed forms*

Forms which were initiated but were not completed and thus not successfully submitted were disregarded by the MFSA.

2.2 *Submitted forms with nonsensical data*

The Authority wishes to clarify that Notification Forms compiled and submitted with nonsensical data were filtered and disregarded.

2.3 *Erroneously completed forms*

The Authority hereby notifies that persons that submitted the Notification Form with inaccurate and/or conflicting data were subsequently contacted for further clarification. In this respect, these persons were asked to clarify their position with the Authority within a period of seven (7) calendar days from the date of receipt of the MFSA's communication. The Authority will be disregarding any Notification Form which still has pending clarifications requested by the MFSA by **11 December 2018**.

2.4 *Successfully completed forms*

The MFSA has issued an acknowledgement in relation to successfully completed forms, wherein the respective entities informed the MFSA that they shall be availing themselves of the transitory provision under the said Article in relation to an activity and/ or services being provided.

In this respect, these entities may continue to undertake such activity or provide such services, in or from within Malta, until an authorisation has been granted by the MFSA, or otherwise, and, in so doing, are not to be regarded as carrying on such activity or providing such services in contravention of the Act. It should be emphasised that entities operating under the transitory provision shall remain unregulated until the applicable authorisation is obtained. Persons operating within the transitional arrangements provided under the Act are in no way or form authorised by the Authority and cannot hold themselves out as such until an authorisation is obtained from the Authority. Entities making use of the transitory period are prohibited from disseminating inaccurate and misleading information by purporting of being in possession of an authorisation from the Authority.

The acknowledgement issued by the MFSA should not be construed as, in any way or form, an assessment or a commitment on the part of the MFSA to grant an authorisation in relation to the aforementioned activity and/or services. Applicants operating under the transitional provision that do not successfully meet the requirements set out in the Act and the Regulations and Rules issued thereunder shall not be granted authorisation.

Persons who have not received any communication from the MFSA in relation to the Notification Form of the transitory period under Article 62 of the Act are kindly requested to contact the Authority on fintech@mfsa.com.mt at the earliest and by not later than **11 December 2018**.

Further updates and developments on the Virtual Financial Assets Framework will be made public on: www.mfsa.com.mt/vfa.

Communications Unit

4 December 2018