

7th May 2025

Conduct Supervision
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By e-mail

Dear Chief Executive Officer
Dear Compliance Officer

Re: Supervisory Review of Crypto-Asset Service Providers' Websites

You are receiving this letter as a Chief Executive Officer and Compliance Officer of a Crypto-Assets Service Provider (CASP) supervised by the Malta Financial Services Authority (referred to herein as the "MFSA" or the "Authority").

1. Background

In line with its ongoing commitment to consumer protection, the MFSA regularly reviews the websites of licensed entities to ensure that the information provided is fair, clear, and not misleading. This is part of the Authority's broader efforts to ensure consumer protection, while maintaining transparency, trust, and accountability within the financial sector, including the rapidly evolving crypto-asset industry.

Following the implementation of Regulation (EU) 2023/1114, also known as the Markets in Crypto-Assets Regulation (MiCA), all Crypto-Asset Service Providers (CASPs) licensed in Malta are required to operate in a manner that is honest, fair, and professional, always acting in the best interests of their clients and prospective clients. MiCA specifically mandates that these providers ensure that all communications, including marketing materials, are transparent and accurate, avoiding any unfair representations of their services and the risks associated with crypto-asset investments. In this regard, the MFSA's Conduct Supervision Function has conducted a thorough review of the websites belonging to CASPs authorised by the MFSA in terms of MiCA. The purpose of the review was not only to assess the alignment of these websites with MiCA's requirements but also to provide licensed entities and applicants with a set of expectations and best practices in relation to website content and disclosures that are included in this letter.

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2. Methodology

The MFSA undertook a comprehensive review of the websites belonging to all the Crypto-Asset Service Providers (CASPs) licensed in Malta as at 17 March 2025 and which had started operating in terms of their respective authorisations.

The Authority's assessment focused on evaluating whether the content of these websites adhered to industry best practices as well as the principles outlined in MiCA, including the overarching regulatory requirement that the information provided by licence holders must be fair, clear, and not misleading. In conducting its assessment, the Authority reviewed the manner in which services were presented, including the content and visibility of the required risk warnings and disclaimers so as to determine whether the information provided was sufficiently detailed, clear, and comprehensible. This is to ensure that consumers are in a better position to make well-informed decisions based on accurate and unambiguous information.

3. Observations and MFSA Expectations

a) Website complexity and navigation

The Authority has noted cases where the websites reviewed were complex in design and structure, featuring multiple layers of navigation, and a variety of sections tailored to different products, services and regions. This complexity was especially evident in global websites that serve clients across multiple jurisdictions including those outside the EU/EEA, where a significant volume of information was spread across numerous pages. Furthermore, the use of heavy graphics further contributed to the complexity, potentially making it difficult for users to easily navigate the websites.

Expectations

The Authority expects CASPs to conduct their own assessment to identify areas where the website can be streamlined, and to take the necessary steps to simplify the layout and navigation to improve the user experience where needed. This might include reducing unnecessary layers of navigation, the use of excessive graphics and interactive features that may hinder clarity and accessibility, while ensuring that relevant information, is clearly presented and easily accessible.

b) Regulatory and risk disclosures

i. Prominence of the licensing statement:

The Authority noted certain cases whereby the licensing statements indicating that the Company is licensed by the MFSA was not prominently displayed on the website. By way of example, in some cases:

- The licensing statement was only included in a dedicated area of the website such as the section related to legal and/or regulatory disclosures;
- The size of the font used for the licensing statement was not prominent enough in comparison with the rest of the information included in the Webpage.

Expectations

In this regard, CASPs are expected to display the relevant licensing statement in a font size that is clearly legible and proportionate to the other content on the website. Furthermore, the MFSA expects that the licensing statement should be placed at least on the website's home page.

ii. Content of the licensing statement

The Authority observed instances where the licensing statement included incomplete or unclear regulatory references – such as referring solely to Regulation (EU) 2023/1114 or only to the Markets in Crypto-Assets Act – or provided an incomplete description of the services the Company is authorized to offer.

Expectations

CASPs are expected to include a full licensing statement to specifically mention that it is licensed by the MFSA as a Crypto Asset Service Provider in terms of the MICA Regulation, as implemented in Malta by the Markets in Crypto Assets Act. Furthermore, the Company is expected to provide full disclosure of the services that the Company is authorized to offer under the CASP licence. Any other services provided which are not regulated under MICA should be clearly indicated as such.

iii. Prominence of the risk warnings

The Authority identified instances where risk warnings related to the products and/or services offered were either not placed in close proximity to the relevant information or lacked sufficient prominence to be effectively visible. For example, in certain cases,

risk warnings were only available in a separate section of the website dedicated to risk disclosures, rather than being displayed alongside the specific product or service descriptions.

Expectations

CASPs are expected to ensure that the risk disclosures are placed in proximity of the relevant information and in a prominent manner that does not reduce the visibility of the warnings, potentially limiting users' awareness of the associated risks. By way of example, webpages related to a specific crypto-asset or to a service offered by the Company, should contain the relevant risk information or the link to the section dedicated to risk disclosure. In any case, reference to the risk information should be made in a prominent manner in the webpages related to a specific crypto-asset or to a service.

c) Products and services

i. Reference to investment services or other regulated services

The Authority noted cases where CASPs included wording on their websites that may suggest the provision of investment services—such as terms like “trading” or “buy stocks”— despite not being licensed to offer such services. Furthermore, in some instances the Authority noted that investment services or other regulated services were offered in partnership with other authorised entities, including companies that are part of the same corporate group of the CASPs, however the relevant disclosure was not included in the website.

Expectations

The Authority expects that the use of wording that could imply the provision of investment services as well as other regulated activities is avoided in view of the fact that such references can create confusion among users regarding the nature and scope of the services that the CASP is authorised to provide. In cases where investment services or other regulated services are offered through partnerships with other licensed entities, a clear and prominent disclosure should be provided alongside the relevant information on the regulated service. This disclosure should include details about the partner company, including its licensing status.

ii. Reference to unregulated services

In some instances, the Authority noted that websites include information about services related to activities that fall outside the scope of MiCA and are therefore

considered unregulated. These services may include services in relation to non-fungible tokens (NFTs), as well as other crypto-asset-related services, such as staking, that are not currently covered by MiCA's regulatory framework.

Expectations

The Authority urges CASPs to clearly differentiate between regulated and unregulated services on their websites. To further enhance transparency and ensure users are fully informed, the Authority expects CASPs to include a clear and prominent disclaimer near the relevant information, explicitly stating that unregulated services, such as services related to NFTs or staking, are not regulated under MiCA.

iii. Products and services not available for EU/EEA clients

The Authority has observed instances where CASPs operate global websites that might provide information on products and services offered by various entities within a larger group across different jurisdictions, potentially outside the EU/EEA. While the Authority recognizes that groups often operate on a global scale, it also notes that this practice can increase the overall complexity of the website and create ambiguity regarding which services are available in EU/EEA jurisdictions. Additionally, it can lead to confusion about which entity is responsible for offering which service and to which clients and with respect to the relevant licenses and authorizations under which they operate.

Expectations

The Authority expects CASPs authorised by it to ensure that only information pertaining to products and services available in the EU/EEA jurisdictions are displayed on the website dedicated to EU/EEA clients. In the case of global websites, CASPs should ensure that a clear distinction is made between the products and services available in EU/EEA jurisdictions and those offered outside EU. In this regard, appropriate geo-blocking or redirection mechanisms should be implemented as to ensure that EU/EEA-based users are automatically directed to an EU/EEA-specific website containing information specifically pertaining to them. If a particular product or service is not available to EU/EEA, a clear and prominent disclosure should be included alongside the relevant information to inform users accordingly. The Authority is of the view that this approach would enhance transparency and help mitigate potential confusion for clients regarding service availability and regulatory oversight in different regions.

d) Marketing practices and promotions entailing the provision of rewards or other forms of incentives

The Authority has observed a number of cases where licence holders are engaging in marketing practices that include promotional campaigns offering rewards or incentives to clients. These promotions typically involve clients receiving bonuses – such as free crypto-assets, cash equivalents, or other financial benefits—upon opening an account with the company and performing certain transactions involving crypto-assets.

Expectations

While the Authority acknowledges that the use of incentives may be aimed at attracting new clients and to grow the business, it is concerned that these marketing practices may not always align with principles of fair communication, transparency, and consumer protection. In particular, there is a risk that clients may not fully understand the terms and conditions associated with these rewards. Therefore, CASPs are expected to ensure that the terms and conditions of such promotions are sufficiently detailed and clearly explain the mechanics of the offer, including any applicable limitations or restrictions. These terms and conditions should be easily accessible and prominently disclosed on the company's website, as well as on any related promotional materials, where relevant.

Furthermore, CASPs should be aware that the on 22nd July 2021 the Authority had issued the a [Circular](#) on “Marketing campaigns in relation to financial products or services linked to rewards or giveaways”. In the Circular, the Authority clarifies its position on the provision of incentives to clients while providing regulated financial services and that the provision of any kind of reward should not influence the decision to purchase a financial product or service. Furthermore, gifts and rewards can only be offered if these are not of substantial value and related to the product or service being offered.

In this context, the Authority urges CASPs to ensure that any promotional activities involving rewards or incentives are fully aligned with the principles and expectations outlined in the aforementioned Circular.

e) Disclosure of conflict of interests

The Authority has observed that in some instances, CASPs, might not have adequately disclosed any applicable conflicts of interest on their websites. This is particularly relevant for CASPs offering a combination of services, such as investment advice, execution of orders, and portfolio management, alongside operating a crypto exchange, which may have an incentive to prioritize their own interests or those of related parties, such as affiliated entities or corporate groups, over the interests of its clients. Given the nature of these services, where the same Company or group is responsible for both advising clients or managing portfolios and executing trades, the Authority is of the view that there is a heightened risk of conflicts between the duties owed to clients and the interests of the CASP or its related parties.

Expectations

The Authority expects that CASPs ensure that clear, transparent, and prominent disclosures regarding any applicable conflicts of interest are included on their websites. These disclosures should explain the nature of the conflict, how it is managed, and the steps taken to ensure that clients' interests are safeguarded. This is particularly relevant for CASPs offering advisory, portfolio management and/or execution services alongside operating a crypto exchange.

f) Disclosure of Principal Adverse Impacts

The Authority has identified instances where the disclosures of Principal Adverse Impacts of the consensus mechanism used to issue each crypto-asset, as mandated by Commission Delegated Regulation (EU) 2025/422 ("Delegated Regulation"), detailing the content, methodologies, and presentation of sustainability indicators, were either omitted or presented in a format that does not align with the Annex specified in the Delegated Regulation.

Expectations

As indicated in the Commission Delegated Regulation (EU) 2025/422, the adequate identification and disclosure of the climate and other environment-related adverse impacts linked to the use of consensus mechanisms to issue crypto-assets is key to the decision-making of those investing in crypto-assets. Therefore, the Authority expects CASPs to fully disclose Principal Adverse Impacts (PAIs) in line with the

Delegated Regulation, ensuring accuracy, completeness, and adherence to the specified content and format.

4. Way Forward

The MFSA will be continuously monitoring the websites of CASPs licenced in Malta and reaching out accordingly to licence holders in case shortcomings are identified. In the meantime, CASPs are expected to take the necessary steps to ensure that their websites are updated in line with the expectations and standards outlined in the letter.

Should you require any clarification on the above, please do not hesitate to contact the Authority's Conduct Supervision Function on financialpromotion@mfsa.mt.

Yours Sincerely

Malta Financial Services Authority

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Chief Officer Supervision

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The MFSA ensures that any processing of personal data is conducted in accordance with Regulation (EU) 2016/679 (General Data Protection Regulation), the Data Protection Act (Chapter 586 of the Laws of Malta) and any other relevant European Union and national law. For further details, you may refer to the MFSA Privacy Notice available on the MFSA webpage www.mfsa.mt.