

25 June 2026

FinTech Supervision
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Sent via e-mail

Re:
- VFA Licence and Transition to CASP under the Markets in Crypto-Assets Act (“MiCA Act”)

Dear Board Members,

Reference is made to ESMA’s public statement of 23 June 2026 [ESMA calls on unauthorised crypto-asset service providers to wind down orderly while also safeguarding clients’ interests as MiCA transitional period ends.](#)

The transitional measures under Article 143(3) of MiCA as implemented in Article 66 of the Virtual Financial Assets Act, Cap. 590, expire on 30 June 2026, and, therefore, Virtual Asset Service Providers (“VASPs”) which are operational, that is, have clients, need to obtain a Crypto Asset Service Provider (“CASP”) licence from the MFSA before such date.

As of 1 July 2026, VASP clients will not benefit from MiCA safeguards, including rules designed to protect client assets.

The MFSA expects any VASPs that are unable to comply with this deadline to initiate an orderly winding down of their activities. In doing so, they must ensure that appropriate measures are implemented to safeguard the interests of their clients and to mitigate any potential adverse impact arising from the cessation of their operations.

VASPs which are winding down are expected to:

- immediately stop onboarding new clients, refrain from opening new client relationships or accounts, and cease marketing activities and solicitation;
- limit the provision of services to actions necessary to sell or transfer crypto-assets, reallocate assets, or close positions. Custody of clients’ crypto-assets can only continue for the period strictly necessary to complete an orderly exit;

- communicate clearly, promptly and repeatedly with clients, both retail and institutional, about the measures taken to safeguard their assets and the wind-down plans so that clients know the timeline to dispose of, transfer, reallocate or close their positions. VASPs' communications should include a deadline by which any residual positions would be closed automatically and information about client protection requirements.

During their winding down, these VASPs should ensure that all relevant national laws and obligations relating to AML/CFT are adhered to, and should be effectively reflected in their controls. While all applicable AML/CFT obligations should be adhered to at all times, particular attention should be paid to sanction screening, Travel Rule requirements, and obligations related to self-hosted wallets. Transactions suspected of ML/TF are to be reported to the Financial Intelligence Analysis Unit (FIAU). The MFSA expects VASPs to act diligently and with due care to protect their clients.

Similarly, the MFSA reminds the onboarding CASP of all its obligations under MiCA, in particular those relevant to onboarding, including customer due diligence, and AML/CFT requirements under national law. Special attention should be given to onboarding clients transferring from winding-down VASPs, in light of the increased migration activity expected after the end of the transitional period. CASPs that intend to onboard significant number of customers from a VASP and make use of the data, information and documentation collected by the VASP to meet its customer due diligence obligations are reminded of the need to adhere to Section 4.6.6 of the Implementing Procedures issued by the FIAU.

The MFSA would like to remind CASPs of the prohibition of outsourcing or delegating certain services, notably custody, to entities that are not authorised as CASPs.

Any operational VASPs which will be unable to meet any of the above obligations are expected to reach out to the MFSA within 24 hours of receipt of this letter.

By way of exception, all non-operational VASPs that have a pending application with the MFSA, and will not manage to obtain a CASP licence by 1 July 2026, are not expected to wind down, but are expected to reconfirm in writing that they do not have clients, they intend to continue their application process under MiCA after the transitional period, and will not onboard any clients until they obtain their CASP licence, within 24 hours of receipt of this letter.

Please note that this letter shall not be interpreted as a commitment or indication by the Authority to grant any authorisation under the MiCA Regulation.

Should you have any questions or require further assistance, please contact the FinTech Supervision Team at SUFintechMICA@mfsa.mt.

Yours Sincerely,

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