

REPUBLIC OF VANUATU

BILL FOR THE VIRTUAL ASSETS SERVICES PROVIDERS (AMENDMENT) ACT NO. OF 2026

Explanatory Note

This Bill amends the Virtual Assets Services Providers Act No. 3 of 2025.

Vanuatu's laws generally reflect FATF standards by criminalising money laundering and terrorist financing and providing for financial reporting, beneficial ownership, asset confiscation and international cooperation. However, gaps remain and full compliance has not yet been achieved. This Bill is required to address those gaps and ensure that Vanuatu fully complies with the FATF standards.

The key features of this Bill include:

- (a) the requirements applying to an originating VASP when making a transfer of virtual assets; and
- (b) the requirement for a licensee to keep proper books and records; and
- (c) the Minister's power to make regulations prescribing the methods and technical standards for transmitting information and the method for calculating the value of a virtual asset transfer.

Minister of Finance and Economic Management



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An Act to amend the Virtual Assets Services Providers Act No. 3 of 2025.

Be it enacted by the President and Parliament as follows-

1 Amendment

The Virtual Assets Services Providers Act No. 3 of 2025 is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF VIRTUAL ASSETS SERVICES PROVIDERS ACT NO. 3 OF 2025

1 Section 2 - Interpretation

Insert in their correct alphabetical positions:

“beneficiary information” includes:

- (a) the name of the beneficiary; and
- (b) the beneficiary virtual asset account number used to process the transaction or, in the absence of an account number, a unique transaction reference number, which permits traceability of the transaction;

“beneficiary VASP” means a VASP licensee that receives a virtual asset transfer and makes, or is expected to make, the virtual asset available to the beneficiary;

“competent authority” means the Reserve Bank of Vanuatu, the Financial Intelligence Unit, the Commissioner, a prescribed law enforcement agency or any other authority authorised by law to obtain the information;

“financial institution” has the same meaning as in the Financial Institutions Act [CAP 254];

“intermediary VASP” means a VASP licensee that receives and transmits a virtual asset transfer on behalf of an originating VASP, a beneficiary VASP or another intermediary VASP, but is not itself the originating VASP or beneficiary VASP;

“originator information” includes:

- (a) the name of the originator; and
- (b) the originator account number used to process the transaction or, in the absence of an account number, a unique transaction reference number, which permits traceability of the transaction; and
- (c) the originator’s:

- (i) address; or
- (ii) national identification card; or
- (iii) passport number; or
- (iv) customer identification number; or
- (v) certified copy of the birth certificate;

“originating VASP” means a VASP licensee that receives an instruction from an originator to make a virtual asset transfer;

“threshold amount” means an amount equivalent at the time the transfer is initiated to USD 1,000 or EUR 1,000, or such other amount as may be prescribed;

“unique transaction reference number” means a combination of letters, numbers or symbols that permits a virtual asset transfer to be traced;”

2 Paragraph 23(1)(b)

After “are”, insert “not”

3 After paragraph 23(2)(c)

Insert

- “(ca) identify, assess, manage and mitigate money laundering, terrorist financing and proliferation financing risks arising from new technologies, products, services and business practices; and
- (cb) maintain an up-to-date institutional risk assessment, review it at least annually and whenever a material change occurs and submit it to the Commissioner annually or upon request;”

4 After subsection 23(2)

Insert

“(2A) The Commissioner must review the institutional risk assessment, require further information and direct remedial action.”

5 Section 27

Repeal the section, substitute

“27 Transfer of virtual assets

- (1) An originating VASP in making a transfer of virtual assets must:
- (a) obtain and keep the name of the originator and the beneficiary; and
 - (b) obtain and keep the virtual asset account number or wallet address of the originator and beneficiary or, if no such account or address is used, a unique transaction reference number that permits traceability of the transfer; and
 - (c) subject to subsection (3), verify the accuracy of the originator information using reliable and independent documents; and
 - (d) immediately and securely transmit all information required to be provided under this section to the beneficiary VASP or financial institution before or simultaneously with the transfer; and
 - (e) ensure that all the information remains associated with the transfer throughout the payment chain.
- (2) In addition to subsection (1), the originating VASP, for a virtual asset transfer equal to or above the threshold amount, must obtain and keep:
- (a) the residential or registered address of the originator, including the country and town; and
 - (b) if the originator is a natural person, the originator's date of birth and a national identification, passport or customer identification number, where available; and
 - (c) the country and town of the beneficiary; and
 - (d) if the originator or beneficiary is a legal person, its connected business identifier code, legal entity identifier or other unique official identifier, where such an identifier exists.

- (3) If the transfer of a virtual asset is below the threshold amount, the originating VASP is not required to obtain and keep the information required under paragraphs (1)(a) and (b), unless:
 - (a) there is a suspicion of money laundering, terrorist financing or proliferation financing; or
 - (b) the originating VASP has doubts about the accuracy or adequacy of the information.
- (4) A beneficiary VASP must:
 - (a) obtain and keep all originator and beneficiary information transmitted with or in relation to the virtual asset transfer; and
 - (b) subject to paragraph (c), verify the identity of the beneficiary, if the beneficiary's identity has not previously been verified, using reliable and independent documents, data or information; and
 - (c) take reasonable measures, including real-time or post-event monitoring where appropriate, to identify transfers that lack required originator or beneficiary information; and
 - (d) make the information available promptly upon the request of the Commissioner or another competent authority.
- (5) An intermediary VASP must:
 - (a) retain all originator and beneficiary information received with or in relation to a virtual asset transfer; and
 - (b) transmit the originator and beneficiary information immediately and securely to the next VASP or financial institution in the payment chain; and
 - (c) ensure the originator and beneficiary information remains associated with the transfer throughout the payment chain; and

- (d) take reasonable measures, including real-time or post-event monitoring where appropriate, to identify transfers that lack the required originator or beneficiary information.
- (6) An originating VASP, an intermediary VASP and a beneficiary VASP must establish, maintain and implement documented risk-based policies and procedures:
 - (a) to identify a transfer containing missing, incomplete or inaccurate originator or beneficiary information; and
 - (b) to determine whether to execute, reject or suspend a transfer; and
 - (c) to determine the appropriate follow-up action, including obtaining additional information, restricting or terminating the business relationship and submitting a suspicious transaction report where required by law; and
 - (d) to document the decision made and the reasons for the decision.
- (7) A VASP licensee must conduct targeted financial sanctions screening:
 - (a) before transmitting a virtual asset transfer; or
 - (b) before making a transferred virtual asset available to a beneficiary; or
 - (c) at such other times as may be required by the United Nations Financial Sanctions Act No. 6 of 2017 or any other applicable law.
- (8) If a VASP licensee identifies a confirmed match with a person or entity designated under an applicable targeted financial sanctions list, the VASP licensee must, without delay:
 - (a) freeze the relevant virtual asset or other asset; and
 - (b) stop the transfer of the virtual assets; and
 - (c) prohibit the provision of funds or other assets to the designated person or entity; and

- (d) report the match and the action taken to the Sanctions Secretariat and any other authority required by law.
- (9) Subsection (6) does not permit a VASP licensee to apply a risk-based decision to a confirmed targeted financial sanctions match. The VASP licensee must comply with subsection (8) and the applicable targeted financial sanctions legislation.
- (10) If a virtual asset transfer is made to or received by a person who is not using a VASP or financial institution, the VASP licensee must:
 - (a) obtain and hold the originator and beneficiary information required under paragraphs (1)(a) and (b), as applicable; and
 - (b) verify the originator and beneficiary information relating to its customer; and
 - (c) take reasonable risk-based measures to assess the accuracy of the originator and beneficiary information relating to the other party; and
 - (d) apply enhanced measures where the transfer presents a higher risk of money laundering, terrorist financing or proliferation financing.
- (11) The information required under this section may be transmitted directly or indirectly and need not be recorded on the blockchain or form part of the virtual asset transfer itself, but it must be transmitted immediately and securely and must remain available to the relevant VASPs and competent authorities.
- (12) A VASP licensee must protect information obtained, held or transmitted under this section against unauthorised access, alteration, loss, misuse or disclosure and must comply with all applicable confidentiality, privacy and data protection requirements.
- (13) A VASP licensee must keep and maintain all information, screening results, decisions and other records as required under section 60.
- (14) The Commissioner may:

- (a) require a VASP licensee to provide information or records maintained under this section;
 - (b) inspect and assess a VASP licensee's systems, controls, policies and procedures for compliance with this section;
 - (c) direct a VASP licensee to remedy a deficiency within a specified period; and
 - (d) issue guidelines under section 59 concerning secure transmission standards, interoperability, data fields, verification, record-keeping and risk-based procedures.
- (15) A VASP licensee who fails to comply with any requirement under this section commits an offence and is liable on conviction:
- (a) for an individual - to a fine not exceeding VT50,000,000 or imprisonment for a term not exceeding 20 years, or to both; and
 - (b) for a body corporate - to a fine not exceeding VT250,000,000.”

6 Section 60

Repeal the section, substitute

“60 Keeping proper books and records

- (1) A licensee must keep and maintain proper books and records, as prescribed by the Regulations.
- (2) Without limiting subsection (1), the proper books and records include the following:
 - (a) customer due diligence records, such as:
 - (i) identification documents; and
 - (ii) verification data; and
 - (iii) account files; and

- (b) transaction data, such as:
 - (i) on-chain data; and
 - (ii) wallet address; and
 - (iii) transaction hashes and amounts; and
 - (c) travel rule logs, such as originator and beneficiary data exchanged during cross-border transfers.
- (3) A licensee must retain the records referred to in this section for at least 6 years after the completion of the relevant transaction or termination of the business relationship, whichever is applicable.”

7 Subsection 66(2)

Delete “fees”

8 Subparagraph 66(2)(c)(ii)

Delete “.”, substitute “; and

- (d) the methods and technical standards for transmitting information;
and
- (e) the method for calculating the value of a virtual asset transfer.”