

User Guidelines – Virtual Financial Assets (Amendment No.2) Regulations, 2024

The title of these regulations is the Virtual Financial Assets (Amendment No. 2) Regulations, 2024, (the 'Amending Regulations'), and they amend the Virtual Financial Assets Regulations (the 'Principal Regulations') which were made under the Virtual Financial Assets Act (the 'Act').

The Amending Regulations form part of the exercise being carried out locally to implement Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (the 'MiCA Regulation'). In a nutshell, the MiCA Regulation is the end-result of a series of discussions within the European Union aimed at introducing a harmonised regulatory framework for the issuance of crypto-assets and the provision of crypto-asset services by crypto-asset service providers. In fact, the MiCA Regulation provides for a fully-harmonised set of rules which are directly applicable in all Member States. As such, it is set to replace the applicable local regulatory framework, i.e. the Virtual Financial Assets Act and any regulations and rules issued thereunder.

The Amending Regulations amend the Principal Regulations so that the provisions of the latter cease to apply as the provisions of the MiCA Regulation, the Markets in Crypto Assets Act and any regulations and rules issued thereunder come into force, in accordance with the dates stipulated in the MiCA Regulation. This includes the establishment of cut-off dates as of which the fees currently applicable in accordance with the Principal Regulations will cease to apply.

These User Guidelines should be read in conjunction with, and as supplementary guidance to, the Amending Regulations and should not be deemed to substitute a thorough reading thereof.

In case of any queries in relation to the Regulations, the MFSA may be contacted on +356 21441155.