

CIRCULAR

THE COMPETENCE ASSESSMENT OF PROSPECTIVE VFA AGENTS

1. Background

The MFSA has today issued the [Chapter 1 of the Virtual Financial Assets Rulebook](#) which is applicable to VFA Agents appointed in terms of the Virtual Financial Assets Act ('the Act') and Applicants seeking Registration as VFA Agents under the Act, as applicable.

As proposed in the [Consultation Paper on raising the bar for VFA Agents](#) issued on 4 September 2018, the Authority has introduced a rigorous competence assessment for persons involved in the VFA Agent business. The proposed assessment shall be based on three pillars: [i] experience and educational background, [ii] written assessment and [iii] viva voce assessment.

As outlined in R1-2.2.3.3 of Chapter 1 of the Virtual Financial Assets Rulebook, individuals proposed as Designated Persons and at least one of the Administrators of the VFA Agent, should none of the Designated Persons be appointed as Administrator within the structure of the VFA Agent ('Proposed Persons'), shall be required to complete a course approved by the Authority, prior to registration. The Authority shall also schedule a mandatory interview with the Proposed Persons, and, should it be deemed necessary, conduct any further assessment. The Proposed Persons shall be deemed competent by the Authority only where such persons satisfy all the aforementioned requirements.

2. MFSA-approved courses

Courses that are approved by the Authority will be made available on the Virtual Financial Assets Framework Page on the MFSA website (www.mfsa.com.mt/vfa) shortly. The only MFSA-approved course as at to date is the following:

Course Name:	Introduction to the Virtual Financial Assets Act
Training Provider:	IFSP, Malta
Date:	August – September 2018

The MFSA looks forward to receiving requests from training providers for approval of courses by the MFSA for this purpose. Interested training providers are to submit to the MFSA the: [i] course content and [ii] information on the certification award mechanism, including: attendance, assessment and grading.

3. Applications for Registration pending the completion of an MFSA-approved course

Applications for Registration as VFA Agents proposing persons that have still to complete an MFSA-approved course, may still be submitted to the MFSA upon the coming into force of the Act. This notwithstanding, such Proposed Persons will not be eligible to sit for an MFSA interview and further assessment, as deemed necessary, until such time as this course is successfully completed.

4. Meeting the MFSA competence requirements

Proposed Persons that have successfully completed an MFSA-approved course will be called for an MFSA interview and subjected to a further assessment, as deemed necessary. Should Proposed Persons fail the interview and/or further assessment (if applicable), the MFSA will be formally communicating the weaknesses that need to be addressed during the Pre-Registration Phase.

The MFSA wishes to clarify that no Registration will be granted to prospective Applicants before the minimum number of persons specified in the rules have satisfied all the competence requirements.

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

Communications Unit

17 October 2018