



An overview of the regulation of virtual assets in Mauritius

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1. Virtual asset laws and regulations in Mauritius

The Government of Mauritius introduced a regulatory sandbox in 2018 to facilitate the growth of virtual assets and blockchain technology in the financial sector. The Virtual Asset and Initial Token Offering Services Act, 2021 (**VAITOS Act**) which came into force on 7 February 2022 established regulatory guidelines over virtual assets. The VAITOS Act consists of provisions regarding licensing, registration, controllers and beneficial owners, financial obligations and duties of virtual asset service providers.

The Financial Services Commission (**FSC**) is responsible for supervising and regulating the industry under the VAITOS Act. Empowered by the legislation, the FSC has the authority to issue rules (**FSC Rules**) and regulations providing guidance on compliance in connection with virtual assets in Mauritius. Such rules and regulations cover areas relating to fees, charges, prudential standards, client disclosure, risk management, custody of client assets, cybersecurity, financial reporting, statutory returns and other relevant matters. FSC Rules are published in the gazette without requiring ministerial approval. Additionally, the FSC has the authority to establish technical committees to investigate and report on issues related to the administration of the VAITOS Act.

What is considered a virtual asset in Mauritius?

According to the VAITOS Act, virtual assets are defined as a digital representation of value that:

- may be bought, sold, or transferred between persons electronically or digitally;
- may be used for investment, payment, or other similar purposes;
- is not physical in nature like cash, and it only exists electronically or digitally; and
- is not a legal tender produced by the government of Mauritius or another country.

It is also worth noting that virtual assets do not include digital representations of fiat currencies, such as a digital version of the Mauritian rupee, securities such as bonds or stocks, and other financial assets that are already covered under the **Mauritius Securities Act, 2005**.

What are the relevant laws and regulations?

The VAITOS Act serves as the primary legislation governing virtual assets in Mauritius. Effective from February 7, 2022, the VAITOS Act sets out a detailed legal framework for virtual asset service providers and issuers of initial token offerings (**ITOs**). Applicability extends to entities conducting business activities related to virtual assets in or from Mauritius.

The VAITOS Act excludes closed-loop items that lack transferability, exchangeability and usage for payment or investment. Examples of such closed-loop items may include but are not limited to: amusement park tokens, store coupons, reward points or loyalty program points that cannot be exchanged or transferred, and virtual gift cards that are non-transferable and can only be redeemed with a specific merchant or merchant group. It also does not apply to digital representations of fiat currencies, securities, and other financial assets. Not covered are digital currencies issued by central banks, whether domestic or foreign, and individuals acting professionally on behalf of those engaged in virtual asset-related financial services.

In addition to the VAITOS Act, the FSC has issued specific rules pertaining to various aspects of virtual assets concerning custody, client disclosure, capital and financial requirements, cybersecurity, advertisement publication, management, statutory reporting and travel. Furthermore, the FSC has released guidance notes concerning security tokens, security token offerings, non-fungible tokens (**NFTs**), anti-money laundering/combating the financing of terrorism (**AML/CFT**) measures, and the classification of virtual assets as an investment class for sophisticated and expert investors.

In early 2024, the FSC issued guidance notes clarifying the treatment of staking services and decentralised autonomous organisations under the VAITOS Act. These entities are now explicitly required to apply for appropriate VASP licenses if they operate within or target residents of Mauritius.

Also, From March 2025, enhanced AML/CFT obligations will come into effect for all VASPs operating in or from Mauritius, including mandatory transaction monitoring systems, real-time reporting of cross-border transfers above specified thresholds, and stricter beneficial ownership disclosures.

Who do such laws and regulations apply to?

The VAITOS Act applies to virtual asset service providers (“**VASPs**”) and issuers of ITOs within the non-bank financial services sector in Mauritius.

Who are the relevant regulatory authorities in relation to virtual assets in Mauritius?

The VAITOS Act creates the FSC to regulate and supervise virtual asset service providers and issuers of initial token offerings. The FSC is tasked with ensuring protection of investors, preventing money laundering and terrorist financing and ensuring the stability of the financial system in Mauritius.

What are the penalties for breaches of virtual asset laws and regulations in Mauritius?

The penalties for breaches of virtual asset laws and regulations in Mauritius varies. Below is a summary list of the more common penalties for breaches for reference:

- i. If a person carries out business activities as a virtual asset service provider in or from Mauritius without a valid license, they can be fined up to MUR 5 million and jailed for up to 10 years.
- ii. If an issuer of initial token offerings fails to give written notice to the FSC or disclose any information that could affect the interests of purchasers, they can be fined up to MUR 1 million and imprisoned for up to 5 years.

The FSC has the power to take enforcement action against virtual asset service providers and issuers of initial token offerings found to be in breach of their obligations under the VAITOS Act. The FSC issue directions requiring them to remedy any breaches, impose conditions on their licenses or revoke their licenses in severe cases. The FSC may also refer non-compliant persons to the relevant authorities for criminal prosecution (Section 36 of VAITOS Act, 2021).

2. Regulation of virtual assets and offerings of virtual assets in Mauritius

Are virtual assets classified as ‘securities’ or other regulated financial instruments in Mauritius?

Virtual assets are not classified as securities in the Mauritius, as they are defined separately under the VAITOS Act, 2021. The VAITOS Act, 2021 specifically excludes digital representations of fiat currencies, securities, and other financial assets falling under the purview of the Securities Act, 2005 from the definition of virtual assets. This means that securities, security tokens and other regulated financial instruments are still subject to the regulatory oversight of the Securities Act, 2005 and other relevant laws.

Furthermore, the FSC is responsible for regulating activities related to VASPs because they involve virtual assets and the law requires VASPs to register and obtain a license to operate in Mauritius. These VASPs are also required to comply with anti-money laundering and know-your-customer requirements under the Financial Intelligence and Anti-Money Laundering Act, which is another regulatory requirement for financial services providers in Mauritius.

Are stablecoins and NFTs regulated in Mauritius?

Stablecoins: The VAITOS Act, 2021 sets out the provisions for stablecoins. Stablecoins are defined as virtual tokens that are backed by fiat currency. In the case of virtual asset service providers holding custody of stablecoins for clients, they must maintain a sufficient amount of each type of stablecoin in order to meet their obligations to clients. This is to ensure that there is enough liquidity in circulation in the event of a large redemption request.

To provide further regulation and protection for investors, issuers of stablecoins must ensure that the white paper contains all the relevant information necessary to enable the purchaser or investor to make an informed assessment of the stablecoin before subscribing to the stablecoin. The white paper must, among other things, specify the funds that serve as reserve and identify the custodian or the depository responsible for the safe-keeping of such reserve. Also, all stablecoin issuers must maintain 1:1 fiat reserve in segregated accounts with Mauritian banks. These reserves must be attested quarterly by a registered auditor.

NFTs: According to the guidance notes under section 7(1)(a) of the [Financial Services Act](#) in Mauritius, NFTs may take different forms and may warrant different regulatory treatments. In particular, the following 3 scenarios were illustrated:

- Scenario 1 - NFTs deemed as digital collectibles not used for payment or investment purposes are outside regulatory purview.
- Scenario 2 - NFTs with characteristics of both digital collectibles and transferable financial assets, like fractional NFTs, are considered “securities.” Any person who engages in or promotes regulated business activity with such NFTs must have an appropriate license issued by the FSC under the relevant legislation. Any platform that facilitates the sale and secondary trading of NFTs would also be required to be licensed by the FSC as a securities exchange or trading system under the Securities Act, 2005.

Recently, the FSC clarified that “fractionalised NFTs” and NFTs with investment characteristics are regulated as securities under the Securities Act, 2005. Any person or platform dealing with such NFTs must be appropriately licensed as a securities dealer or exchange.

- Scenario 3 - Other NFTs, not digital collectibles or securities, necessitate registration under the VAITOS Act, 2021. Licensing is required for administering, holding, transferring, or exchanging such NFTs.

Are decentralised finance (DeFi) activities (e.g. lending virtual assets) regulated in Mauritius?

Yes, in Mauritius, DeFi activities such as lending virtual assets are regulated under the VAITOS Act. Any virtual asset service provider carrying out such activities is required to obtain a license from the FSC as per section 7 of the VAITOS Act.

Additionally, the VAITOS Act requires VASPs to comply with numerous obligations such as maintenance of separate accounts, prevention of market abuse, custody and protection of client assets, among other requirements given in in Sub-Part C and D of Part III of the VAITOS. There also requires an application for a license to include various details about the proposed business activities, management, and control mechanisms, and more, as per section 8 of the VAITOS Act.

The licenses for VASPs are categorised under different classes, as per the Second Schedule of the VAITOS Act. Decentralised activities like lending would likely fall under Class M of the licensing regime. VASPs that conduct the business activities of virtual dealing, virtual brokering or virtual exchange between one or more forms of virtual assets or between virtual assets and fiat currencies would also be covered under Class M. VASPs must meet several requirements to obtain a Class M license from the FSC. Some of the key requirements are set out below:

- i. must have a minimum of 2 directors and 1 senior executive who reside in Mauritius and have the appropriate level of competence, experience, and proficiency to carry out the business activities of the provider;
- ii. must have a minimum initial subscription or paid-up capital as determined by the FSC;
- iii. must have in place suitable arrangements for the safeguarding and administration of assets belonging to clients;
- iv. must implement appropriate measures to prevent market manipulation, abusive trading strategies, and other market abuses;
- v. must be able to demonstrate that its business continues to meet the requirements under the VAITOS Act and any applicable regulations or guidance notes; and
- vi. must satisfy all other requirements under the VAITOS Act, including the criteria set out by the FSC for the issuance of a license under Class M.

Recently, the FSC clarified that “fractionalised NFTs” and NFTs with investment characteristics are regulated as securities under the Securities Act, 2005. Any person or platform dealing with such NFTs must be appropriately licensed as a securities dealer or exchange.

Are there any restrictions on issuing or publicly offering virtual assets in Mauritius?

Yes, there are regulations in place in Mauritius regarding issuing or publicly offering virtual assets. The VAITOS Act, 2021 primarily regulates the activities of VASPs and issuers of ITOs.

Under Part IV of the VAITOS Act, 2021, issuers of ITOs must register with the FSC before issuing or offering their virtual tokens to the public. The registration process involves submitting a white paper that provides detailed information about the issuer, its business plan, technology, as well as information on beneficial owners, controllers, directors and customer due diligence as well as the virtual asset being offered. The white paper must also include the terms and conditions of the offer and any associated risks or limitations.

Additionally, an application for registration must be accompanied by:

- i. a copy of the certificate of incorporation of the applicant;
- ii. a business plan or feasibility study setting out the nature and scale of the business activities proposed to be carried out;
- iii. policies and measures to be adopted by the applicant to meet its obligations under the VAITOS Act and related legislation relating to anti-money laundering, combatting the financing of terrorism and proliferation;
- iv. such application fee as prescribed in FSC Rules; and
- v. any additional information, document or report requested by the FSC.

These requirements must be satisfied to enable the FSC to make a determination on the application. The FSC would also consider various factors such as the criteria set out for the grant of the application, the adequacy of the applicant's resources, infrastructure, staff, compliance arrangements, fitness and propriety of the applicant, among others, before granting registration as an issuer of ITOs.

The FSC will review the application and determine whether the issuer meets the requirements under the VAITOS Act and any applicable regulations, including anti-money laundering and counter-terrorism financing requirements.

Once a VASP is successfully licensed, it must comply with various ongoing regulatory requirements such as the custody and protection of client assets, prevention of market abuse, financial obligations and reporting obligations. Failure to comply with these requirements may lead to penalties, including fines and imprisonment terms.

Further, the VAITOS Act, 2021 prohibits non-registered issuers from offering or issuing virtual tokens to the public. Section 24 of the VAITOS Act, 2021 provides that no person, other than a registered issuer, should conduct the business activities of an issuer of ITOs. The penalty for contravening this provision includes imprisonment for a term not exceeding 5 years and a fine not exceeding MUR 5 million.

Additionally, it is important to note that the VAITOS Act, 2021 does not cover virtual assets that are digital representations of fiat currencies, securities, and other financial assets that fall under the Securities Act, 2005. The issuance or offering of such virtual assets in Mauritius would be governed by the Securities Act, 2005 and its related regulations and requirements.

Are there any exemptions to the restrictions on issuing or publicly offering of virtual assets in Mauritius?

The VAITOS Act, 2021 states that certain exemptions exist for the restriction on issuing or publicly offering of virtual assets in Mauritius. These exemptions include the following:

- **Closed-loop items:** The legislative provision defines these items as non-transferable, non-exchangeable, and not being able to be used for payment or investment purposes, and which a person cannot sell onward on a secondary market outside of the closed-loop system. Such items fall outside of the scope of the VAITOS Act, 2021.

- Digital currencies issued by central bank or central bank of a foreign jurisdiction: Virtual currencies issued by the **central bank of Mauritius** or the central bank of a foreign jurisdiction to be exempted from the definition of virtual assets and ITOs under the VAITOS Act 2021. However, this exemption must only hold good in the form of monetary systems designated for use in local, domestic, or cross-border clearance and settlement systems and no other kinds of cryptocurrencies.

3. Regulation of VASPs in Mauritius

Are VASPs operating in Mauritius subject to regulation?

A VASP is defined as a person that, as a business, conducts 1 or more of the following activities or operations, for, or on behalf of, another person:

- exchange between virtual assets and fiat currencies;
- exchange between one or more forms of virtual assets;
- transfer of virtual assets;
- safekeeping of virtual assets or instruments enabling control over virtual assets;
- administration of virtual assets or instruments enabling control over virtual assets; and
- participation in, and provision of, financial services related to:
 - an issuer's offer and sale of a virtual asset; and
 - an issuer's offer or sale of a virtual asset.

VASPs operating in Mauritius are subject to regulation under the VAITOS Act, 2021 which requires VASPs to obtain a license from the FSC to operate in Mauritius. In order to obtain a license, a VASP must comply with various requirements such as registering with the FSC, maintaining adequate financial resources, and ensuring that its controllers, beneficial owners, and officers are fit and proper persons.

The VAITOS Act, 2021 also provides for the regulation and supervision of VASPs by the FSC, which includes the FSC having powers to conduct inspections, impose conditions on VASPs and take enforcement actions against them in case of non-compliance. Moreover, VASPs are also subject to various requirements under the VAITOS Act, 2021, such as custody and protection of client assets, prevention of market abuse, and transfer of virtual assets.

Recent amendments to the FSC Rules have also introduced cybersecurity incident reporting requirements for all licensed VASPs. Any breach or attempted breach of digital asset custody systems must be reported to the FSC within 72 hours, along with mitigation plans and forensic audit results. Also, VASPs providing cross-border remittance services using stablecoins must now comply with additional capital adequacy standards and maintain reserves in both fiat and digital forms.

Are VASPs providing virtual asset services from offshore to persons in Mauritius subject to regulation in Mauritius?

Yes, VASPs providing virtual asset services from offshore to persons in Mauritius are subject to regulation in Mauritius. The VAITOS Act, 2021 provides regulation for all VASPs, including those providing virtual asset services from offshore to persons in Mauritius. The VAITOS Act, 2021 specifies that it shall apply to any VASP or issuer of initial token offerings that carries out its business activities in or from Mauritius.

Therefore, even if a VASP providing virtual asset services is operating from outside of Mauritius, if it is providing services to persons in Mauritius, it is considered to be carrying out its business activities in Mauritius and must comply with the regulatory requirements set out by the VAITOS Act, 2021.

What are the main requirements for obtaining licensing / registration as a VASP in Mauritius?

According to the VAITOS Act, 2021, the main requirements for obtaining licensing/registration as a VASP are as follows:

- i. the applicant must be a company;
- ii. the applicant must submit an application for a license in the form and manner approved by the FSC;
- iii. the applicant must specify the class of license being applied for;
- iv. the applicant must have adequate resources, infrastructure, staff with the appropriate competence, experience and proficiency to carry out the business activities of a VASP;
- v. the applicant must have adequate arrangements for proper supervision of all transactions contemplated to be performed under the license so as to ensure compliance with the VAITOS Act, 2021 and the conditions of the license;
- vi. the applicant and each of its controllers, beneficial owners, their associates and officers are fit and proper persons to carry out the business activities to which the license is sought;
- vii. the applicant shall submit policies and measures to be adopted by the applicant to meet its obligations under the VAITOS Act, 2021, the [Financial Intelligence and Anti-Money Laundering Act 2002](#) and the [United Nations \(Financial Prohibition, Arms Embargo and Travel Ban\) Act 2019](#) relating to anti-money laundering and combatting the financing of terrorism and proliferation; and
- viii. the applicant must demonstrate that it can satisfy the criteria or standards issued by the FSC.

Notwithstanding the above, the requirements vary depending on the type of license the VASP is applying for:

Category	Scope of activities	Minimum capital requirement
Class M (Virtual Asset Broker Dealer)	Exchange between virtual assets and fiat currencies, and/or exchange between one or more forms of virtual assets. This class is likely most relevant for fiat-to-crypto and crypto-to-fiat exchanges	2,000,000 MUR or its equivalent in any other fiat currency
Class O (Virtual Asset Wallet Services)	Provision of virtual asset wallet services, including transfer of virtual assets on behalf of clients	Sufficient working capital in fiat currency to continue business for a period of 12 months, based on realistic forecasts
Class R (Virtual Asset Custodian)	Safekeeping of virtual assets or instruments enabling control over virtual assets	5,000,000 MUR or its equivalent in any other fiat currency
Class I (Virtual Asset Advisory Services)	Provision of advisory services related to virtual assets, including participation in the offer and/or sale of virtual assets, but excluding custody or safekeeping	Sufficient working capital to meet debts as they fall due, based on realistic financial forecasts
Class S (Virtual Asset Market Place)	Operation of a virtual asset trading platform (centralised or decentralised) facilitating exchange of virtual assets for fiat currency or other virtual assets on behalf of third parties, including platforms that hold custody or control of virtual assets on behalf of clients	6,500,000 MUR or its equivalent in any other fiat currency

The applicant shall pay the application fee as prescribed in [Financial Services \(Consolidated Licensing and Fees\) Rules 2008](#), which the key expenses are set out below:

- i. Category 1 Global Business License is issued to any company proposing to engage in activities of a global service in and from Mauritius and whose shareholders are mainly foreign residents. The fixed annual fee for a Category 1 Global Business License for VASPs is MUR 50,000.
- ii. Category 2 Global Business License is issued to any company proposing to engage in activities from Mauritius and which have or expects to have a majority of resident shareholders or a majority of its voting shares are held by Mauritians. The fixed annual fee for a Category 2 Global Business License for VASPs is MUR 25,000.
- iii. Additionally, variable annual fees are payable as well, which would depend on the number of beneficiaries. The variable annual fees for VASPs are as follows:
 - from 10,001 to 15,000 beneficiaries, the annual fee is MUR 10,000;
 - for 15,001 to 20,000 beneficiaries, the annual fee is MUR 15,000; and
 - for over 20,000 beneficiaries, the annual fee is MUR 20,000.

What are the main ongoing requirements for VASPs regulated in Mauritius?

The VAITOS Act, 2021 sets out a number of ongoing requirements for VASPs regulated in Mauritius. Some of the main requirements are set out below:

- i. the VASP must comply with the obligations relating to the custody and protection of client assets, prevention of market abuse, transfer of virtual assets, and other financial obligations;
- ii. the VASP must maintain separate accounts for its clients' assets;
- iii. the VASP must notify the FSC of any material change to its business activities;
- iv. the VASP must ensure that its senior executive is a fit and proper person, and notify the FSC within 7 days of any change in its senior executive;
- v. the VASP must ensure that its controllers and beneficial owners are fit and proper persons;
- vi. the VASP must comply with any conditions attached to its license or registration; and
- vii. the VASP must comply with any applicable regulations, guidelines or codes of conduct issued by the FSC.

Additionally, crypto fund managers and virtual asset portfolio managers are required to submit quarterly risk assessments and liquidity stress tests to the FSC, especially where their portfolios include high-volatility tokens or non-fungible assets. Also, distributors of tokenised funds, particularly those involving foreign-domiciled crypto ETFs, must obtain a Class O license under the VAITOS Act and provide detailed disclosure regarding the jurisdictional risks and custodial arrangements associated with offshore holdings.

What are the main restrictions on VASPs in Mauritius?

The VAITOS Act, 2021 sets out the regulatory and supervisory functions of the FSC with respect to VASPs in Mauritius. According to the VAITOS Act, 2021, VASPs are required to be licensed to carry out business activities in or from Mauritius, and failure to do so is punishable by imprisonment and a fine.

Additionally, VASPs must comply with other requirements specified under the VAITOS Act, which includes provisions related to the custody and protection of client assets, prevention of market abuse and transfer of virtual assets. The VAITOS Act describes various obligations that VASPs must adhere to, such as having a physical office in Mauritius, adequate resources and staff with the appropriate competence and experience to carry out business activities and the appointment of approved officers.

What are the main information that VASPs have to make available to its customers?

According to the VAITOS Act, 2021, VASPs are required to make available to their customers, at a minimum, the following information:

- i. the fees and charges associated with the services provided by the VASP;
- ii. the terms and conditions of the services provided by the VASP;
- iii. the risks associated with the use of virtual assets and the relevant services provided by the VASP, including market risks and liquidity risks;
- iv. the procedures and arrangements for safeguarding and administration of assets belonging to investors, these assets shall be kept separate from the assets of the VASP, where possible, and VASPs must ensure the adequate and appropriate custody and protection of virtual assets belonging to clients;
- v. business continuity and planning measures in the event of disruption, which should ensure the safeguarding of virtual assets from loss or theft and redundancy in data storage; and
- vi. the complaint handling procedures and escalation mechanisms, which shall, where practicable, include an alternative dispute resolution mechanism for the resolution of complaints.

Furthermore, according to the [Virtual Asset and Initial Token Offerings Services \(Client Disclosure\) Rules 2022](#), VASPs shall provide clients with the following general information in writing, as applicable before providing relevant products and / or services:

- i. the name and address of the virtual asset service provider, and the contact details necessary to enable a client to communicate effectively with the virtual asset service provider;
- ii. a description of the products and services provided;
- iii. the methods of communication to be used between the VASP and the client;
- iv. the languages in which the VASP and clients may communicate;
- v. any specific technological requirements that the clients shall have in place in order to benefit from the products or services (for example, if the client must have a particular wallet in order to receive a virtual asset);
- vi. a statement of the fact that the VASP is licensed under the VAITOS Act, 2021 and the activities for which it is licensed;
- vii. a description, which may be provided in summary form, of any conflicts of interest which may arise and how the virtual asset service provider will ensure fair treatment of the client;
- viii. any cancellation or withdrawal rights that the client has in relation to the products or services, including practical instructions for exercising any right to cancel or withdraw, including the contact details to which any cancellation or withdrawal notice shall be sent;
- ix. minimum duration of the contract, in the case of services to be performed permanently or recurrently;
- x. any rights the parties may have to terminate the contract early or unilaterally under its terms, including any penalties imposed by the contract in such cases;
- xi. details regarding how complaints may be made and the VASP's procedure for handling complaints; and
- xii. the law and competent court applicable to the provision of the product / services.

What market misconduct legislation/regulations apply to virtual assets?

Furthermore, the VAITOS Act consists of provisions for preventing market misconduct as it relates to virtual assets and initial token offerings. Virtual asset exchanges in Mauritius are required to have systems and controls that:

- i. identify and detect suspicious price spikes or anomalies;
- ii. prevent and monitor abusive trading strategies; and

- iii. take immediate steps to restrict or suspend trading upon discovery of market manipulative or abusive trading activities, including temporarily freezing accounts.

Under section 36 of the VAITOS Act, the FSC may also issue notices, guidelines, guidance notes, and provide feedback to VASPs and issuers of initial token offerings to help them detect and report suspicious transactions.

4. Regulation of other crypto-related activities in Mauritius

Are managers of crypto funds regulated in Mauritius?

Yes, managers of crypto funds are regulated under the VAITOS Act. The FSC is given regulatory and supervisory functions over VASPs which would cover managers of crypto funds.

The FSC is responsible for licensing VASPs and ensuring that they abide by high standards of professional conduct, including proper financial management, protection of client assets, and compliance with anti-money laundering and counter financing of terrorism obligations. In addition, the FSC may take enforcement action against those in breach of the legislation by, for example, suspension or termination of licenses.

Are distributors of virtual asset funds regulated in Mauritius?

Yes, distributors of virtual asset funds are regulated in Mauritius. Under the VAITOS Act, distributors of virtual asset funds fall under the scope of regulation as VASPs.

Part III, Sub-Part A, Section 7 of the VAITOS Act states that no person shall carry out the business activities of a virtual asset service provider in or from Mauritius unless they are the holder of a VASPs license. This includes distributors of virtual asset funds operating in or from Mauritius. Licensing requirements and conditions are set out in the VAITOS Act and VASPs are required to comply with proper standards of professional conduct, including adherence to anti-money laundering and counter-financing of terrorism obligations.

The VAITOS Act also sets out the responsibilities of virtual asset service providers in Part III, Sub-Part C. For example, VASPs must ensure the custody and protection of client assets (section 17), prevent market abuse (section 18) and ensure proper transfer of virtual assets (section 19). In addition, VASPs are required to meet financial obligations such as financial requirements (section 20), separate accounts (section 21) and audited financial statements (section 22).

Are there requirements for intermediaries seeking to provide trading in virtual assets for clients or advise clients on virtual assets in Mauritius?

Intermediaries providing trading in virtual assets for clients or advising clients on virtual assets would likely be considered as VASPs and are required to be licensed by the FSC under the VAITOS Act. As such, such intermediaries must meet certain requirements to obtain the license, including meeting financial obligations and demonstrating adequate resources and infrastructure for proper supervision.

5. Other relevant regulatory information

Are there any upcoming regulatory developments in respect of crypto-related activity in Mauritius?

Mauritius is taking steps to regulate the fast-evolving technologies involving virtual assets and initial token offerings, while mitigating the risk of money laundering, financing of terrorism, and related risks. The FSC of Mauritius is exploring ways to enhance security and identity verification processes in the metaverse, which may have implications for crypto-related activity.

Since early 2024, the FSC of Mauritius has updated its rules and issued new guidance on several areas. DeFi and staking platforms now need to get a VASP license and follow stricter rules on transparency and reporting. Stablecoin issuers must keep a 1:1 fiat reserve in separate bank accounts in Mauritius, with quarterly checks by

independent auditors. All VASPs are now required to undergo yearly cybersecurity audits. The AML/CFT rules have also been strengthened in line with the latest FATF standards, with stricter customer checks and transaction monitoring starting from March 2025.

Mauritius is also exploring the potential of a Central Bank Digital Currency (CBDC), known as the Digital Rupee. The Bank of Mauritius has also released a public [consultation paper](#) on the issuance of CBDC (June 2023). This initiative reflects an interest in combining the benefits of cryptocurrencies with the stability and oversight of central banking, aiming to complement traditional monetary policies while ensuring AML and CFT compliance. A flexible legal framework is advocated for the CBDC, which is in its conceptual phase, to allow for trial phases, active supervision by local regulators, and the coexistence of CBDC with traditional currency and cryptocurrencies.

Has there been any notable events in Mauritius that has prompted regulatory change recently?

Mauritius is considering making changes in its financial sector by expanding the types of companies and creating rules for Electronic Money Institutions (EMIs). These actions show the country's dedication to meeting global standards in finance.

In November 2023, Mauritius started a trial of the digital Rupee, a digital form of its currency. This step suggests that the country might make more rules in the future that specifically deal with virtual currencies and assets.

While not explicitly tied to a virtual currency event, these changes demonstrate Mauritius' dedication to aligning with international standards.

6. Pending litigation and judgments related to virtual assets in Mauritius (if any)

There are currently no pending litigations or judgments in Mauritius.

7. Government outlook on virtual assets and crypto-related activities in Mauritius

Mauritius has been working on regulations for virtual currencies and digital assets to regulate the growing digital asset market. The main regulation is the VAITOS Act, 2021, following global standards set by the Financial Action Task Force (FATF) to prevent financial crimes.

The FSC oversees these rules, licensing virtual asset service providers and registering issuers of initial token offerings. Acting without the proper license or registration is considered a financial crime under the VAITOS Act, 2021. To add clarity, the FSC issued [guidance notes on Security Token Offerings \(STOs\)](#), setting standards and introducing the first crypto licenses in Africa. The VAITOS Act is a significant move toward creating a secure regulatory system for digital assets in Mauritius.

Mauritius is also exploring CBDC, called the Digital Rupee. This aims to combine cryptocurrency benefits with central banking stability, complementing traditional monetary policies while ensuring compliance with anti-money laundering and countering the financing of terrorism.

In alignment with G20 and FATF priorities, the government has committed to enhancing transparency in the virtual asset sector. This includes the implementation of Travel Rule compliance for all VASP-to-VASP transfers and participation in international data-sharing frameworks such as IVMS 101.

8. Advantages of setting up a VASP in Mauritius

Mauritius presents an advantageous environment for establishing a virtual assets business, driven by its progressive regulatory framework, the VAITOS Act. This legislation provides clear guidelines on licensing, operational standards, and compliance obligations, ensuring legal certainty and operational clarity for VASPs.

From March 2025, Mauritius updated its AML/CFT framework for VASPs to align with the latest FATF guidance. This update mandates enhanced customer due diligence, ongoing transaction monitoring, and prompt reporting of suspicious transactions for all VASPs.

Mauritius, recognised as an international financial center, offers a stable political and economic environment, a competitive tax regime, and access to a skilled workforce.

Technology-friendly environment supported by the government's initiatives allows VASPs in Mauritius to leverage new technologies and business models, offering cutting-edge services and products.

With MINDEX Digital Custodian as an example, the first licensed VASP in Mauritius, the jurisdiction provides a first-mover advantage. This allows businesses to establish a foothold in the market and contribute to shaping the digital assets ecosystem within and beyond the jurisdiction.

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