

COMMUNIQUÉ

FSC issues Guidance Notes on the Regulatory Treatment of Non-Fungible Tokens

Following the coming into force of the Virtual Asset and Initial Token Offerings Services Act 2021 on 07 February 2022, the Financial Services Commission, Mauritius (“FSC”) has deemed it necessary to clarify its regulatory position on Non-Fungible Tokens (“NFTs”).

A NFT is a token recorded using distributed ledger technology such as Blockchain, whereby each NFT recorded is distinguishable from any other NFT. This allows each NFT to be given unique features and to be associated with a distinct physical or virtual asset. NFTs are often linked to items such as artworks, music or videos, amongst others.

NFTs may take different forms and therefore, warrant different regulatory treatments. The Guidance Notes issued by the FSC on 30 November 2022 clarifies the regulatory treatment for NFTs under three scenarios.

In the formulation of the Guidance Notes, the FSC has *inter-alia* considered the guidance issued by the Financial Action Task Force relating to Virtual Assets and Virtual Assets Service Providers.

A copy of the Guidance Notes is available on the FSC website at the following [link](#).

30 November 2022

About the FSC Mauritius

The FSC Mauritius is the integrated regulator for the non-banking financial services sector and global business.

The vision of the FSC Mauritius is to be an internationally recognised financial supervisor committed to the sustained development of Mauritius as a sound and competitive financial services centre.

In carrying out its mission, the FSC Mauritius aims to promote the development, fairness, efficiency and transparency of financial institutions and capital markets in Mauritius; suppress crime and malpractices so as to provide protection to members of the public investing in non-banking financial products; and ensure the soundness and stability of the financial system in Mauritius.