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CAYMAN ISLANDS : LEGISLATION PROPOSED TO REGULATE VIRTUAL ASSET SERVICE PROVIDERS

The Cayman Islands has introduced 5 Bills namely: - The Virtual Asset (Service Providers) Bill, 2020 "VASPB"; the Monetary Authority (Amendment) (No.2) Bill, 2020; the Securities Investment Business (Amendment) Bill, 2020; the Mutual Funds (Amendment) (No. 2) Bill, 2020; and the Stock Exchange Company (Amendment) Bill, 2020 to pave the way for an expansion in fintech and virtual asset service providers, such as those dealing in cryptocurrency like Bitcoin.

Under the provision of the proposed VASPB, any person providing virtual asset services or in the course of business for Cayman based customers or for overseas clients would need to apply for a virtual assets license, or seek registration or obtain a waiver before they can provide any virtual asset services.

It is anticipated that the passing of this legislation will significantly enhance the financial technology capabilities of the jurisdiction.

Please find here links to the following for your further information: -

Cayman Islands Ministry of Finance Advisory
Cayman Islands government (FAQs)
Virtual Asset (Service Providers) Bill 2020 (PDF)
Cayman News Service

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