



MONTSERRAT

## CHAPTER 11.36

# VIRTUAL ASSET BUSINESS ACT

### Revised Edition

showing the law as at 1 January 2025

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Revised Edition of the Laws Act.

This edition contains a consolidation of the following laws—

### **VIRTUAL ASSET BUSINESS ACT**

Act 10 of 2023 .. in force 5 October 2023

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### **VIRTUAL ASSET BUSINESS REGULATIONS – Section 19(1)**

S.R.O. 6/2024 .. in force 19 March 2024

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**CHAPTER 11.36**

**VIRTUAL ASSET BUSINESS ACT**

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**CHAPTER 11.36**  
**VIRTUAL ASSET BUSINESS ACT**

*(Act 10 of 2023)*

AN ACT TO PROVIDE FOR THE LICENCE OF VIRTUAL ASSET BUSINESS FROM MONTSERRAT AND WITH PERSONS IN MONTSERRAT AND FOR RELATED MATTERS.

**Commencement**

*[5 October 2023]*

**Short title**

1. This Act may be cited as the Virtual Asset Business Act.

**Interpretation**

2. (1) In this Act—

“**anti-money laundering and counter financing terrorism legislation**” means the Proceeds of Crime Act (Cap. 4.04) and subsidiary legislation made under the Proceeds of Crime Act;

“**client**” includes a potential client;

“**Commission**” means the Financial Services Commission established under section 3 of the Financial Services Commission Act (Cap. 11.02);

“**licensee**” means a person licenced under section 8 and holder of a certificate of licence;

“**Minister**” means the Minister with responsibility for finance;

“**Ministry**” means the Ministry with the responsibility for finance;

“**officer**” means—

- (a) a chief executive officer, chief operating officer, president, vice president, corporate secretary, treasurer, chief financial officer, chief accountant, chief auditor, chief investment officer, chief compliance officer or chief risk officer;
- (b) any other individual designated as an officer by its articles of incorporation or continuance, by-laws or other constituent document, or resolution of the directors or members; or
- (c) any other individual who performs functions similar to those performed by a person referred to in paragraph (a), whether or not the individual is formally designated as an officer;

“**person**” includes a sole corporation, a body incorporated or unincorporated, a firm, an association and a partnership;

**“prospectus”** means any document, statement, advertisement or notice that provides information for the purpose of offering to the public and a client, subscription to or purchase of a virtual asset;

**“virtual asset”** means a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes and does not include digital representations of fiat currency or security; and

**“virtual asset business”** means the conduct of one or more of the following activities or operations for or on behalf of another person—

- (a) exchange between a virtual asset and fiat currency;
- (b) exchange between one or more forms of virtual assets;
- (c) transfer of a virtual asset whether or not for value;
- (d) safekeeping or administration of a virtual asset or instruments enabling control over a virtual asset; and
- (e) participating in and provision of financial services related to an issue or sale of a virtual asset;

**“virtual service token”** means a digital representation of value which is not transferrable or exchangeable with a third party at any time and includes digital tokens whose sole function is to provide access to an application or service or to provide a service or function directly to its owner.

(2) In this Act, **“person with significant control”** with respect to a virtual asset business means a person who satisfies one or more of the conditions specified in subsection (3).

(3) The conditions specified for the purposes of subsection (2) are that the person—

- (a) holds, directly or indirectly, more than 25% of the issued shares in the virtual asset business;
- (b) is entitled, directly or indirectly, to exercise, or control the exercise of, more than 25% of the voting rights in the virtual asset business;
- (c) has the right, directly or indirectly, to appoint or remove a majority of the directors of the virtual asset business;
- (d) has the right to exercise, or actually exercises, significant influence or control over the virtual asset business; or
- (e) has the right to exercise, or actually exercises, significant influence or control over the activities of a partnership that, by the law under which partnership is governed, is not a corporate body, or a trust and paragraph (a), (b), (c) or (d) apply to—
  - (i) the members of the partnership; or

- (ii) the trustees of the trust,  
in the capacity of member of the partnership or trustee.

(4) For the purposes of this section—

“**control**” means the power of a person, either alone or with an affiliate or relative or connected or other person, directly or indirectly or by an agreement or otherwise to exert influence over the business and affairs of a virtual asset business and the term “**controlling**” and “**controlling shareholder**” shall be construed accordingly;

“**fiat currency**” means currency issued by a central bank and is the official legal tender of a country or group of countries;

“**security**” has the same meaning as in section 2 of the Securities Act (Cap. 11.01);

(5) For the purposes of this section, a person is connected to another person—

(a) where that person is an individual, the person is—

- (i) the relative of that person;
- (ii) the trustee of any settlement under which that person has a life interest in possession;
- (iii) a company of which that person is a director or controlling or significant shareholder;
- (iv) an employee or partner of that person;

(b) where that person is a company, the person is—

- (i) a director or controlling shareholder or significant shareholder of that company;
- (ii) a subsidiary or affiliate of that company;
- (iii) a director or employee of any such subsidiary or affiliate of that company; or

(c) where that person has with any other person an agreement or arrangement with respect to the acquisition, holding or disposal of shares or other interests in a company or under which they undertake to act together in exercising their voting power in relation to the company, that other person.

## **Application**

3. This Act applies to any person who whether before or after the commencement of this Act offers or operates in or from Montserrat virtual asset business.

## Requirement for licence

4. (1) Subject to section 6(2)(b), a person shall not offer or operate in or from Montserrat virtual asset business without being licensed under this Act.

(2) A person who, prior to the commencement of this Act, was offering or operating virtual asset business and continues to offer or operate virtual asset business shall apply for a licence under section 6.

(3) An individual shall not carry on, or purport to carry on, in or from within Montserrat virtual asset service as a business or in the course of business.

(4) For the purposes of subsection (3), a person purports to carry on virtual asset business where the person—

- (a) uses one or more words that connote virtual asset business either in English or in any other language, in the description or title under which the person carries on business;
- (b) makes a representation in a document or makes a representation in any other manner that the person is carrying on virtual asset business; or
- (c) otherwise holds out as carrying on virtual asset business.

## Registers

5. (1) The Commission shall maintain a register of registered and suspended licensees which shall provide—

- (a) the name and address of the licensee;
- (b) the registration number of the licensee, if any;
- (c) the type of virtual asset business the licensee conducts;
- (d) the date of licence;
- (e) the status of licence;
- (f) the status of licensee;
- (g) the date of suspension if status of licence is suspended; and
- (h) any other information the Commission may require.

(2) The Commission shall maintain a register of licensees whose registrations have been revoked which shall provide details of the revocation, including the—

- (a) name of the former licensee; and
- (b) date of revocation of licence.

(3) The Commission shall maintain a register of the issue or sale of virtual assets which shall provide the—

- (a) name and address of the licensee responsible for the issue or sale;
  - (b) description of the virtual asset;
  - (c) date of approval of the prospectus related to the issue or sale;
  - (d) date of the publication of the prospectus; and
  - (e) date the issue or offer for sale ends.
- (4) The registers shall be made available to the public and published on the website of the Commission or the Ministry.

### **Application for licence**

6. (1) A person who wishes to offer or operate virtual asset business shall apply to the Commission for a licence.

(2) A person who, prior to the commencement of this Act, offered or operated and wishes to continue offering or operating virtual asset business—

- (a) shall apply to the Commission for a licence; and
- (b) may continue the virtual asset business for sixty days from the commencement of this Act.

(3) A person shall make an application for a licence in writing and provide the following—

- (a) the applicant's full name;
- (b) the address of the registered office of the applicant;
- (c) if the applicant is an individual, the applicant's date of birth and residential address;
- (d) the address of the place of business of the person in Montserrat;
- (e) the registration number of the applicant, if any;
- (f) if the applicant is licensed to provide a virtual asset business or a related service in any other jurisdiction, proof of such licence;
- (g) a statement setting out the nature and scope of the virtual asset business including but not limited to the date operations commenced, name of application and website address where the person conducts virtual asset business from or intends to conduct virtual asset business from and the name of any other country where the person offers or intends to offer virtual asset business;
- (h) particulars of the management and any person authorised to represent the applicant;

- (i) the name and address of any affiliated company within and outside of Montserrat;
- (j) the names and address of directors, and persons with significant control;
- (k) information as to how the applicant meets anti-money laundering or combatting of terrorist financing obligations under—
  - (i) the Proceeds of Crime Act (Cap. 4.04);
  - (ii) the Anti-money Laundering and Terrorist Financing Regulations (Cap. 4.04);
  - (iii) the Anti-money Laundering and Terrorist Financing Regulations (Cap. 4.04);
  - (iv) any other subsidiary legislation made under the Proceeds of Crime Act (Cap. 4.04); and
  - (v) any other law applicable to the combatting of money laundering and terrorist financing; and
- (l) any other information the Commission may reasonably require for the purpose of determining the application.

**(4)** An application shall be accompanied by—

- (a) proof of payment of the application fee prescribed in Schedule 1;
- (b) copy of a government issued identification for any director, officer and person authorised to represent the applicant;
- (c) certified copies of the instruments by which the person is constituted or established; and
- (d) proof of licence to do business in Montserrat.

**(5)** A false or misleading declaration made in an application or false or misleading documents submitted in support of an application shall—

- (a) render an application void; and
- (b) prohibit the person from making another application.

**(6)** A person who, prior to the commencement of this Act, was operating virtual asset business and does not make an application for a licence under subsection (2) shall cease to operate that virtual asset business.

### **Grant and refusal of application for licence**

**7. (1)** The Commission shall on receipt of an application made under section 6 cause a review of the application and consider whether to grant or refuse to grant licence.

(2) The Commission shall not grant licence unless the Commission is satisfied that the—

- (a) person is a fit and proper person to be engaged in virtual asset business;
- (b) application meets the requirements of section 6 and the application fee prescribed in Schedule 1 has been paid;
- (c) requirements of this Act and anti-money laundering and counter financing terrorism legislation have been complied with; and
- (d) person is able to fulfil the obligations of a licensee under this Act and anti-money laundering and counter financing terrorism legislation.

(3) The Commission may request further information or documents from a person for the purpose of considering whether to approve or refuse licence.

(4) The Commission shall notify the person of the approval or refusal of the application for licence in writing.

(5) If an application for a licence is not granted or is withdrawn, the person shall cease to operate the virtual asset business within fourteen days of the date of withdrawal or the receipt of notice of refusal from the Commission.

(6) Despite section 6(2)(b), the Commission may, in the public interest, order a person to cease offering or operating virtual asset business until an application made for a licence is determined.

(7) For the purposes of this section in considering whether a person is fit and proper, the Commission shall have regard to—

- (a) the financial status or solvency of the person or any officer, executive, significant shareholder, director or management of the person;
- (b) competency and capability, having regard to the type of virtual asset business the person intends to be involved in;
- (c) the reputation, integrity, and probity of—
  - (i) the person, if the person is an individual; or
  - (ii) any officer, executive, significant shareholder, director or management, if the person is a company;
- (d) whether the interests of a client of the person are or are likely to be in any way threatened by any director, officer or significant shareholder of the person holding his position;
- (f) whether a person or any director, officer, or significant shareholder of the person is engaged in any business practices or conducted himself in a manner that would appear to be

improper, deceitful or otherwise discredit the business practice of the person;

- (g) whether the individual has a criminal background;
- (h) in the case of any other person, whether its director, officer or person with significant control of the person has a criminal background.

### Certificate of licence and renewal

**8. (1)** If the Commission approves an application under section 7, the person shall pay the licence fee prescribed in Schedule 1.

**(2)** The Commission upon being satisfied that the licence fee has been paid shall—

- (a) register the licensee in the register for a period of one year; and
- (b) issue a certificate of licence in the form as set out in Schedule 2.

**(3)** For each year a licensee continues to offer or operate virtual asset business, the licensee shall renew licence by paying the licence fee.

**(4)** The Commission shall issue a certificate of licence for each renewal of licence in accordance with subsection (3).

### Requirements of a licensee

**9. (1)** A licensee shall place in escrow, with an authorised agent, a registered trust company or with an entity whose business is the provision of trust or custodial services, assets to discharge financial obligations to clients of the licensee and such assets shall be equivalent to 6% of the total value of client funds held by licensee.

**(2)** Subject to requirements of section 6, a licensee shall not undertake any changes in the business of the licensee, including—

- (a) the names of any director, officer or person with significant control;
- (b) the nature and scope of the virtual asset business; and
- (c) the address and contact information of the registered office and any other place of business within and outside the jurisdiction of Montserrat,

without the prior approval of the Commission.

**(3)** A licensee shall not appoint—

- (a) senior officer or trustee; or
- (b) an anti-money laundering compliance officer,

without the prior approval of the Commission.

**(4)** A licensee shall submit to the Commission quarterly reports setting out—

- (a) the number of accounts held by the licensee;
- (b) the value of the accounts held by the licensee;
- (c) a statement of the assets held in escrow; and
- (d) any other information as may be prescribed by regulations made under section 19,

no later than one month after the end of the quarter.

**(5)** A licensee shall prepare accounts annually and submit audited financial statements to the Commission within six months of the end of the licensee's financial year.

**(6)** A licensee shall comply with the requirements of anti-money laundering and counter financing terrorism legislation and institute procedures to ensure that accounting records and business operations systems comply with the anti-money laundering and counter financing terrorism legislation.

**(7)** A licensee shall implement and maintain policies for the virtual asset business—

- (a) to ensure that the collection, storage, use and disclosure of personal information of a client is—
  - (i) legitimate and for purposes related to the business of the licensee;
  - (ii) protected from unauthorised access; and
  - (iii) kept confidential; and
- (b) to protect the operations of the licensee and personal information collected and stored by the licensee from cyber threats.

**(8)** A licensee shall communicate—

- (a) information regarding the virtual asset business;
- (b) information relating to consumer protection; and
- (c) any updates or changes to the information under paragraphs (a) and (b),

in a complete, comprehensible, balanced and coherent manner, so a client can evaluate the features, costs and risks of the virtual asset business the licensee offers or operates.

**(9)** A licensee who fails to comply with a requirement imposed by subsection (2), (3), (4) or (5) is liable to an administrative penalty of \$5,000.

### Transfer of virtual assets

**10. (1)** When performing a transfer of virtual assets, a licensee shall collect and maintain information on the beneficiary and originator of the transfer in accordance with the anti-money laundering and counter financing terrorism legislation and any additional information specified by the Commission, for all transfers performed and comply with any other requirements outlined therein and the records shall—

- (a) be made available, at the request of the Commission or any competent authority, through its registered office; and
- (b) where a request for information is made under paragraph (a), be provided within forty-eight hours of receipt of the request.

**(2)** When performing a transfer of virtual assets, a licensee shall comply with Part 9 of the Anti-Money Laundering and Terrorist Financing Code (Cap. 4.04) in respect of all transactions carried out by the licensee.

### Prospectus for issue or sale of a virtual asset

**11. (1)** A licensee shall not participate in or provide financial services related to the issue or offer for sale of a virtual asset without—

- (a) submitting a prospectus to the Commission for review at least fourteen days before the proposed date of its publication;
- (b) a statement of no objection to the prospectus by the Commission; and
- (c) issuing the prospectus prior to the issue or offer for sale.

**(2)** A prospectus shall be prepared in accordance with the requirements in Schedule 3 and submitted to the Commission for review no less than fourteen days before the proposed date of its publication.

**(3)** The Commission may provide a statement of no objection to a prospectus if it complies with the requirements of this Act.

**(4)** A prospectus shall be valid for a period not exceeding twelve months from the date the statement of no objection was provided by the Commission.

**(5)** A client shall have the right to withdraw purchase of or subscription to an issue or offer for sale, in addition to any other remedy, where a prospectus contains a misrepresentation or false information.

**(6)** A client shall exercise the right under subsection (5) as soon as practicable, but no later than fourteen days after the misrepresentation or false information came to the knowledge of that person.

**(7)** A licensee is liable to pay compensation to a person who relied on a prospectus containing a misrepresentation or false information to purchase or subscribe to an issue or offer for sale and suffers loss as a result.

### **Powers of the Commission regarding a prospectus**

**12. (1)** The Commission may waive the inclusion of certain information required for a prospectus if the Commission considers that—

- (a) disclosure of this information would be contrary to the public interest;
- (b) the disclosure of such information would be seriously prejudicial to the licensee, provided that the omission of such information is not likely to mislead the public as to facts and circumstances essential for an informed assessment of the licensee or virtual asset; or
- (c) the information is not essential to influence the assessment of the financial position and prospects of the licensee or virtual asset.

**(2)** The Commission shall have the power to—

- (a) order an amendment to include information in addition to the requirements in Schedule 3, prior or subsequent to the provision of a statement of no objection to a prospectus;
- (b) suspend an issue or offer for sale where an order for amendment is made subsequent to the provision of a statement of no objection to a prospectus, pursuant to paragraph (a);
- (c) suspend or cancel an issue or offer for sale of a virtual asset if in the public interest; and
- (d) issue a notice advising the public of any order made under paragraph (a) or (b).

**(3)** The Commission is not liable to any action for damages suffered as a result of any prospectus for which the Commission provided a statement of no objection.

### **Amendment to a prospectus**

**13. (1)** The licensee shall submit to the Commission any proposed amendment to a prospectus for a statement of no objection by the Commission.

**(2)** The licensee shall immediately upon receiving the statement of no objection under subsection (1)—

- (a) issue the amendment to the prospectus and state any implication the amendment will have on a client; and
- (b) issue a notice of the amendment to any person who purchased or subscribed to an issue or offer for sale.

**(3)** A person who purchased or subscribed to an issue or offer for sale prior to an amendment to a prospectus, shall have the right to withdraw the

purchase or subscription within fourteen days of the date the notice was issued to that person.

(4) A licensee who fails to comply with a requirement imposed by subsection (2) is liable to an administrative penalty of \$5,000.

### General powers of the Commission

14. (1) The Commission may by notice in writing to a licensee or director, officer or significant shareholder of a licensee, require information to be provided to the Commission within the time and in the form as may be specified in the notice for the purpose of determining compliance with this Act.

(2) The Commission shall have the power to examine or cause an examination of a licensee for the purposes of determining if a licensee is complying with this Act.

(3) For the purposes of examining the licensee, the Commission shall have—

- (a) full access to the registered office or place of business of a licensee, and to the books and records relating to its business;
- (b) the right to call upon, to furnish any information and explanation the Commission may consider necessary—
  - (i) any director, officer or any other employee of the licensee; or
  - (ii) any other person with information regarding the licensee.

(4) The Commission shall take steps as it considers appropriate to—

- (a) cooperate with any local or foreign supervisory/regulatory authority or law enforcement authority in relation to the development and implementation of policies to counter money laundering and terrorist financing;
- (b) coordinate activities to counter money laundering and terrorist financing with any local or foreign supervisory authority or law enforcement authority;
- (c) cooperate with any local or foreign supervisory authority or law enforcement authority as necessary for the performance of duties and the exercise of its powers.

(5) Where the Commission intends to share confidential information in accordance with subsection (4), the Commission shall enter into an agreement with the other authority to provide for the maintenance of the confidentiality of the information and use of the information only for the purposes for which the information is being disclosed.

### Fees

15. (1) Any fee paid in accordance with this Act is non-refundable.

(2) The licence fee prescribed in Schedule 1 is for the period January 1 to December 31 of a year.

(3) The fee for renewal of a licence shall be the same as the licence fee.

(4) Fees under this Act shall be payable to the Commission.

(5) If a licensee does not pay the fee for renewal of a licence on or before January 31 of the year of renewal, the licensee shall, on renewal, pay the late fee prescribed in Schedule 1.

### **Revocation and suspension of licence**

**16. (1)** The Commission may if necessary suspend a licence after giving ten days' written notice of the suspension to the licensee, if the licensee—

- (a) has contravened a provision of this Act;
- (b) has been licensed pursuant to an application where a false declaration was made;
- (c) ceases to operate or offer virtual asset business in excess of ninety days;
- (d) made a request for revocation or suspension to the Commission;
- (e) enters liquidation, is wound up or otherwise dissolved;
- (f) is no longer a fit and proper person to be a licensee;
- (g) is conducting business in manner that is detrimental to the public interest or clients;
- (h) misrepresents or provides false information in a prospectus;
- (i) has failed to pay the licence fee within 180 days of the due date for payment of the licence fee; or
- (j) is convicted of an offence.

(2) If the licensee fails to rectify the issue which caused the suspension under subsection (1) within thirty days of the suspension, the Commission shall revoke the licence.

(3) Despite subsections (1) and (2), the Commission may revoke or suspend a licence without notice if it is in the public interest or to protect clients.

(4) The notice under subsections (1) and (2) shall specify the reasons for the revocation or suspension.

### **Offences and penalties**

**17. (1)** A person commits an offence if that person—

- (a) directly or indirectly makes a false or misleading declaration or omits to disclose a material fact for the purpose of gaining or retaining a client;
- (b) directly or indirectly makes a false declaration in an application for licence;
- (c) offers or operates virtual asset business in or from Montserrat without being licensed under this Act; or
- (d) otherwise contravenes a provision of this Act for which a penalty is not provided.

(2) A person who commits an offence under this Act is liable on summary conviction to a fine of \$10,000 or two years' imprisonment or to both.

(3) Where an administrative penalty is levied on a licensee, the licensee shall not also be liable to an offence under this Act.

(4) An administrative penalty levied on a licensee may be recovered as a civil debt by the Commission.

### Power to amend Schedules

18. The Governor, acting on the advice of the Cabinet, may on the recommendation of the Commission, by Order published in the *Gazette*, amend the Schedules.

### Regulations

19. (1) The Governor, acting on the advice of the Cabinet, may on the recommendation of the Commission make regulations to give effect to the provisions of this Act.

(2) Without limiting the generality of subsection (1), the regulations may provide for—

- (a) records to be kept by the Commission;
- (b) reports to be made to the Commission;
- (c) forms necessary for the administration of this Act;
- (d) the policies, procedures and systems for identifying, monitoring and controlling such risks as the Commission shall specify;
- (e) capital and liquidity requirements;
- (f) the information a licensee shall provide to a client; and
- (g) any other matter required for the efficient administration of this Act.

**Guidelines**

**20. (1)** The Commission shall issue guidelines as it considers necessary to give the effect to the provisions of this Act.

**(2)** Without limiting the generality of subsection (1), the guidelines may provide for—

- (a) policies, practices and procedures for evaluating financial soundness of licensees;
  - (b) corporate governance;
  - (c) disclosure; and
  - (d) compliance with anti-money laundering and counter financing terrorism legislation.
-

**SCHEDULE 1***(Sections 6, 8, 15)***Fees**

<b>PARTICULARS</b>	<b>FEE</b>
Application Fee	\$4,000
Licence Fee	\$12,000
Late fee	\$100 for each day late on the payment of the licence fee

**SCHEDULE 2**

*(Section 8)*

**CERTIFICATE OF LICENCE**

VIRTUAL ASSET BUSINESS ACT (Cap. 11.36)

CERTIFICATE OF LICENCE

FOR [YEAR]

No. [            ]

.....carrying on business under the name  
of ..... of ..... is  
licensed under the Virtual Asset Business Act to carry on virtual asset  
business within and/or from Montserrat.

Licensed on this ..... day of..... [ Year ]

.....  
Commissioner  
Financial Services Commission

**SCHEDULE 3***(Section 11)***REQUIREMENTS FOR A PROSPECTUS**

A prospectus shall be in English and include the following—

- (a) background of licensee and business the licensee responsible for publishing the prospectus is involved in, including but not limited to financial information, and identity of any officer, executive, significant shareholder, director or management;
- (b) description of the virtual asset the prospectus is concerned with, including but not limited to the functionality, characteristics and purpose;
- (c) the date, which is to be taken as the date of the publishing of the prospectus, unless otherwise stated in the prospectus;
- (d) the date the issue or sale ends;
- (e) the amount and currency of the issue or sale and the payment terms for subscription or purchase;
- (f) purpose of the issue or sale;
- (g) financial information of the licensee including but not limited to financial statements and past financial performance of the virtual asset;
- (h) financial projections for the virtual asset and the issue or sale including but not limited to minimum and maximum targets for the issue or sale and use of the proceeds of the issue or sale;
- (i) any risks or restrictions associated with the licensee, virtual asset or virtual asset business the prospectus is concerned with;
- (j) measures for the protection of data and safeguards against cyber threats;
- (k) purchaser's rights in relation to the offer or sale;
- (l) signature of an authorised person on behalf of the licensee.

**VIRTUAL ASSET BUSINESS REGULATIONS**

**ARRANGEMENT OF REGULATIONS**

REGULATION

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SCHEDULE: Application for Certificate of Licence as a Virtual Asset Business



**VIRTUAL ASSET BUSINESS REGULATIONS – SECTION 19(1)**

*(S.R.O. 6/2024)*

**Commencement**

*[19 March 2024]*

**Citation**

1. These Regulations may be cited as Virtual Asset Business Regulations.

**Interpretation**

2. In these Regulations—

“**Act**” means the Virtual Asset Business Act (Cap. 11.36);

“**beneficial owner**”—

- (a) has the meaning assigned to it in the Anti-money Laundering and Terrorist Financing Regulations (Cap. 4.04);
- (b) includes—
  - (i) a natural person who ultimately owns or controls a licensee;
  - (ii) a natural person on whose behalf a transaction is being conducted;
  - (iii) a person who exercises ultimate effective control over a licensee;
  - (iv) where no natural person is identified under sub-paragraph (i) or (iii), the natural person who holds the position of senior managing official;

“**beneficiary**”, with respect to a transfer of a virtual asset, means the person that will own the virtual asset on completion of a transfer;

“**client**” means a person—

- (a) with whom the virtual asset business establishes or intends to establish business relations; or
- (b) for whom the virtual asset business undertakes or intends to undertake a transaction;

“**market abuse**” means—

- (a) insider dealing;
- (b) the unlawful disclosure of insider information;
- (c) market manipulation in relation to a transaction, an order or behaviour concerning a virtual asset; or
- (d) dissemination of false or misleading information to potential clients, investors, agents, and others;

“**originator**”, with respect to a transfer of a virtual asset, means—

- (a) the person that places an order with a virtual asset business for the transfer of virtual assets; or
- (b) where the transfer is carried out by a virtual asset business on behalf of a client or other third party, the client or third party who owned the virtual asset immediately before the transfer;

**“technology platform”** means an online mechanism for the sale, trade or exchange of a virtual asset offered by a licensee to its clients;

**“transfer of virtual asset”** means any transaction carried out on behalf of another person that moves a virtual asset from one virtual asset address or account to another;

**“virtual asset service”** means a service provided in relation to a virtual asset business or transaction.

### Application for licence

**3. (1)** For the purposes of sections 4 and 6 of the Act, a person shall make an application to the Commission for a licence to carry out a virtual asset business in the form set out in the Schedule.

**(2)** In addition to the requirements under section 6 of the Act, an application for a licence under subregulation (1) must be accompanied by—

- (a) full personal details, police records, documents proving qualifications, experience, economic interests, including the percentage of ownership, and occupation of the—
  - (i) managers, and other officers;
  - (ii) directors;
  - (iii) investors or shareholders;
  - (iv) beneficial owner; and
  - (v) significant shareholders;
- (b) in the case of a legal person, articles of association or bylaws of the applicant and other constituent or incorporating documents which specify the roles and responsibilities of the managers, directors and other officers;
- (c) a business plan that includes the—
  - (i) nature and scope of the virtual asset business;
  - (ii) financial and operational projections of the virtual asset business;
  - (iii) systems and controls of the virtual asset business;
  - (iv) internal control procedures of the applicant; and
  - (v) proposed organisational structure, staffing requirements and the powers and duties of officers;

- (d) copies of contracts and arrangements for oversight of activities as the Commission requires;
- (e) evidence of the ability to meet the capital and liquidity requirements as required under regulation 6;
- (f) in the case of an existing business, audited financial statements or management accounts for the last three years;
- (g) evidence of human and technological resources sufficient to efficiently operate and manage the virtual asset business as required under regulation 15, including the applicant's principal business address and website;
- (h) adequate business rules, as required under regulation 8, for a virtual assets business utilising virtual assets to ensure, as far as is reasonably practicable, that the virtual asset business will operate fairly, transparently and in an orderly manner;
- (i) adequate internal systems and controls, as required under regulation 14, to maintain market integrity, including avoidance of market abuse;
- (j) evidence of risk mitigation measures with respect to money laundering and terrorist financing risks including—
  - (i) controls for user access;
  - (ii) measures to reduce the scope of a client's or user's ability to transact anonymously;
- (k) a non-refundable application fee; and
- (l) additional requirements, as may be specified by the Commission.

#### **Grant or refusal to grant application for licence**

**4. (1)** The Commission must, within ninety days of receipt of a complete application, decide whether to grant or refuse to grant the application for a licence.

**(2)** The Commission may request further information or documents from a person for the purpose of considering whether to grant or refuse to grant an application for a licence.

**(3)** Where the Commission makes a request under subregulation (2), the applicant must within fifteen days of the request, submit—

- (a) the information or documents requested; or
- (b) a request for an extension of time within which to submit the information or documents.

**(4)** The Commission may grant an extension of time under subregulation (3)(b) for a period not exceeding fifteen days.

**(5)** In deciding whether to grant or refuse to grant an application for a licence, the Commission may, in addition to the requirements under section 7(2) of the Act, consider—

- (a) the virtual asset business activities proposed to be carried out by the applicant;
- (b) the capacity of the applicant to carry out the virtual asset business activities;
- (c) any international standards relating to a virtual asset business;
- (d) any information obtained from a local or foreign Commission or comparable body;
- (e) whether the applicant has measures in place to ensure that—
  - (i) appropriate information is disclosed clearly to enable potential purchasers and clients to assess risks; and
  - (ii) a risk management framework is in place to reduce operational and other critical risks; and
- (f) the potential impact of the virtual asset business on local economic development and financial inclusion.

### Conditions on licence

5. (1) For the purposes of section 7 of the Act, the Commission may impose conditions on a licence.

(2) Without limiting the generality of subregulation (1), the Commission may impose conditions for a specified period of time on a licence based on the risks and benefits assessment of the Commission.

### Capital and liquidity requirements

6. (1) For the purposes of section 19(2)(e) of the Act, the Commission may in addition to section 11(1) of the Act, by written notice to a virtual asset business, require the virtual asset business to maintain additional capital and liquidity requirements as it considers necessary depending on the risk profile of the virtual asset business.

(2) A licensee must meet adequate capital and liquidity requirements with respect to the nature, size, and complexity of the virtual asset business for the purpose of guarding against the risk of failure to fulfill liabilities as they fall due.

### Capacity to establish and operate proper markets

7. (1) A virtual asset business must, to the satisfaction of the Commission, establish and operate proper markets.

(2) “**Proper markets**”, for the purposes of this regulation, are markets that—

- (a) are conducive to the economic good; and
- (b) promote stability by having—
  - (i) a sufficiently liquid underlying cash market; and
  - (ii) the capacity to operate a virtual asset business.

### **Business rules**

**8. (1)** A licensee shall—

- (a) prepare business rules that specify requirements with respect to—
  - (i) a licensee’s financial reporting, including the method and manner in which regular reports are made;
  - (ii) the international accounting standards or any other accounting standard accepted by the Commission to which the Commission complies;
  - (iii) auditing standards;
  - (iv) the operating history of the licensee;
  - (v) any restrictions that exist on the transferability of the virtual assets of the licensee; and
  - (vi) any other matter the Commission considers relevant;
- (b) publish and make the business rules freely available;
- (c) make the business rules legally enforceable.

(2) The business rules under subregulation (1) must be approved by the Commission.

(3) The Commission shall, before granting approval of the business rules, satisfy itself that the business rules are clear and fair.

### **Default rules**

**9.** A virtual asset business must have default rules in place to enable action to be taken with respect to unsettled virtual asset transactions, if a purchaser or client is or appears unable to fulfil the obligations in respect of a virtual asset transaction.

### **Custody and protection of client assets**

**10. (1)** A licensee that has custody of a virtual asset for a client must maintain in its custody an amount of the virtual asset that is larger than the obligations of the licensee to the client.

**(2)** A virtual asset under subregulation (1) must—

- (a) be held by the licensee or appropriate third party for the client entitled to the virtual asset;
- (b) not be the property or virtual asset of the licensee or that of the third party;
- (c) not be subject to the claims of creditors of the licensee or that of the third party; and
- (d) not be pledged as collateral for the sake of the licensee or the third party.

### Prevention of market abuse

11. A virtual asset business must ensure that the systems and controls applied to its business activities are adequate and appropriate for the scale and nature of those business activities, including systems and controls that adequately and appropriately address—

- (a) the recording, storing, protecting and transmission of information;
- (b) the effecting and monitoring of transactions;
- (c) the operation of the measures taken for securing the timely discharge, whether by performance, compromise or otherwise, of the rights and liabilities of the parties to transactions;
- (d) the safeguarding and administration of assets belonging to investors and shareholders; and
- (e) in the event of disruption of a virtual asset service, business continuity and planning.

### Transfer of virtual assets

12. (1) Where a transfer of a virtual asset is made—

- (a) the originator must—
  - (i) obtain and hold the required and accurate originator information and required beneficiary information on the transfer; and
  - (ii) immediately and securely submit the information obtained and held under sub-paragraph (i) to the beneficiary or any other financial institution; and
- (b) the beneficiary must obtain and hold the required originator and beneficiary information on the transfer required under regulation 13.

(2) The information obtained and held pursuant to subregulation (1) must be kept in a manner that enables the information to be immediately available to the Commission and, on request, to any other relevant local or foreign Commission.

### Originator and beneficiary information for the transfer of virtual assets

13. (1) An originator and a beneficiary must ensure that all transfers of virtual assets are accompanied by—

- (a) the required and accurate originator information, including—
  - (i) the name of the originator;
  - (ii) the originator's virtual asset account number where that account is used to process the transaction or, in the absence of a virtual asset account number, a unique transaction reference number which enables traceability of the transaction; and
  - (iii) any of the following information—
    - (A) the originator's physical address;

- (B) the originator's National Identification Card number or passport number;
  - (C) the originator's client identification number; or
  - (D) the originator's place of birth;
- (b) the following required and accurate beneficiary information—
- (i) the name of the beneficiary, and
  - (ii) the beneficiary's virtual asset account number where that account is used to process the transaction or, in the absence of a virtual asset account number, a unique transaction reference number which enables traceability of the transaction.
- (2) The originating virtual asset business must not execute a transfer of a virtual asset where it does not comply with the requirements specified under subregulation (1).
- (3) A beneficiary virtual asset business must—
- (a) take reasonable measures to identify transfers of virtual assets that lack required originator information or required beneficiary information including post-event monitoring or real-time monitoring where feasible;
  - (b) have risk-based policies and procedures for determining—
    - (i) when to execute, suspend or reject a transfer of virtual assets lacking required originator information or required beneficiary information; and
    - (ii) the appropriate follow-up actions.

### **Internal policies, procedures, systems and controls**

**14. (1)** A licensee must ensure that its internal policies, procedures, systems and controls are adequate and suitable for the performance of a virtual asset business and appropriate to the size and nature of its operations.

- (2) For the purposes of subregulation (1), a licensee must carry out an annual review of its internal policies, procedures, systems and controls in relation to—
- (a) the transmission of information to purchasers and clients on its technology platform;
  - (b) the assessment and management of risks;
  - (c) the safeguarding and administration of assets which belong to purchasers or its clients;
  - (d) the fitness and propriety of its employees and the adequacy of the technological resources;
  - (e) training and succession planning for managers, directors and other officers;
  - (f) the supervision and monitoring of transactions on its system; and

(g) any other areas determined by the Commission.

### Human and technological resources

15. (1) A licensee must, to the satisfaction of the Commission, ensure that it has sufficient human and technological resources to operate a virtual asset business.

(2) Without limiting the generality of subregulation (1), a licensee must satisfy the Commission with respect to—

- (a) employing fit and proper staff, in accordance with sections 7(2), (5) and (6) of the Act, appropriately trained for the duties to be performed and to the standards required;
- (b) appointing officers with an adequate level of experience and expertise to supervise and monitor the operations of the virtual asset business; and
- (c) owning and subscribing to technological resources that are established and maintained in a manner that ensures that they are secure and maintain the confidentiality of the data they contain.

### Safeguarding and administering assets

16. A licensee must ensure, to the satisfaction of the Commission, that its technology platform provides for the safeguarding and administering of assets that belong to clients to ensure—

- (a) satisfactory arrangements are made for that purpose including data management and protection, security access control and cyber-security safeguards; and
- (b) clear terms of agreement exist between clients and the licensee in relation to the virtual asset.

### Risk management

17. (1) A virtual asset business must have in place written strategies, policies, processes and risk management systems to assess and maintain, on an ongoing basis, the amount, type and distribution of financial resources, non-financial resources, own funds and unimpaired capital that it considers adequate to address—

- (a) the nature and level of the risks to which it is, or might be, exposed, such that there is no significant risk that its liabilities cannot be met as they fall due, and that in the event of a winding up, its business can be wound up in an orderly manner, minimising harm to clients or to other market participants or to market integrity;
- (b) the risk that the virtual asset business might not be able to meet the obligations under the virtual assets capital and liquidity requirements; and
- (c) the need for liquid assets adequate to cover its liabilities as they fall due.

(2) The strategies, policies, processes and risk management systems under subregulation (1) must be approved by the Commission.

(3) A virtual asset business must review and document annually the extent to which it has met the risk management requirements imposed by the Commission and submit its report to the Commission within four months after the close of each financial year.

### **Cybersecurity and operational risks**

**18. (1)** A licensee must establish and maintain appropriate systems and controls for managing cybersecurity and operational risks that can arise from inadequacies or failures in its processes and systems including ensuring that the necessary resources are allocated to manage cyber-security and operational risks.

(2) A licensee must ensure that suppliers, agents and other third parties establish and maintain appropriate systems and controls for managing cyber-security and operational risks.

(3) A licensee must ensure the adequacy of the systems and controls used to safeguard the security of its information having regard to established security standards.

(4) A licensee must obtain external testing and audits carried out by suitably qualified external experts, at least annually, and more frequently, if appropriate, given the nature and size of its business.

### **Client protection**

**19. (1)** A licensee must at all times provide safeguards to ensure client protection to standards the Commission determines or as required under the laws of Montserrat.

(2) Without limiting the generality of subregulation (1), a licensee must have business rules, procedures and an effective surveillance programme that ensure that a virtual asset business conducted on or through its technology platform or trading systems is conducted in an orderly manner to provide proper protection to clients, including monitoring for conduct which may amount to market abuse, money laundering, financial crimes or other criminal conduct.

### **Complaints**

**20. (1)** A licensee must, to the satisfaction of the Commission, have in place systems and procedures to address complaints by clients of its technology platform so as to ensure that due process is upheld on an ongoing basis.

(2) The systems and procedures under subregulation (1) must include—

- (a) effective arrangements for the investigation and resolution of complaints made against the virtual asset services of the licensee;
- (b) establishing and maintaining a register of complaints made against the virtual asset services of the licensee and resolutions reached with the purchaser, client, or user.

(3) A licensee must keep and maintain the records of the complaints under subregulation (1) for a minimum of seven years.

### Ring fencing and safeguarding requirements

21. A licensee engaged in virtual asset business must safeguard the funds received from clients or from other virtual asset businesses by ensuring—

- (a) that the virtual asset business does not transfer the funds to its own account used for normal business operations nor commingle the funds with the funds of any person other than the client or other virtual asset business on whose behalf the funds are held;
- (b) the virtual asset business employs other appropriate risk mitigation strategies to ensure safeguarding of funds.

### Promoting and maintaining standards

22. A licensee, in carrying out a virtual asset business, must—

- (a) act honestly and fairly;
- (b) act with due care, skill and diligence;
- (c) observe and maintain a high standard of professional conduct;
- (d) ensure that appropriate measures are put into place for the protection of the virtual assets of the client;
- (e) have effective corporate governance arrangements consistent with the Act; and
- (f) cooperate with the Commission regarding regulatory matters as the Commission determines.

### Compliance procedures

23. (1) A licensee must provide, to the satisfaction of the Commission, details of the manner in which the licensee will ensure ongoing compliance with the business rules under regulation 8.

(2) Without limiting the generality of subregulation (1), a licensee must have compliance procedures in place to ensure that—

- (a) the business rules are enforced;
- (b) complaints regarding persons granted access to its technology platform are investigated;
- (c) appeal procedures are provided; and
- (d) where appropriate, disciplinary action and appropriate penalties are available.

### Ongoing obligations

24. A licensee must at all times do all things necessary to ensure that its virtual asset services are fair, transparent, orderly and efficient for the purpose of reducing any systemic or any other type of risk that may adversely affect fair and orderly trading or transfer of the virtual assets.

### Insurance requirements

25. A licensee must establish and maintain appropriate policies of insurance on terms and conditions determined by the Commission for the purpose of indemnifying the licensee against a liability incurred as a result of an act or omission by the licensee or its officers or employees in the conduct of the virtual asset business.

### Reporting requirements

26. (1) In addition to section 9(4) of the Act a licensee must submit to the Commission a report in writing, at such times as the Commission directs, addressing matters affecting the virtual assets business and other matters as the Commission directs.

(2) The report under subregulation (1) must include the following—

- (a) the ongoing compliance measures of the licensee with the terms of the licence;
- (b) complaints received and resolutions reached;
- (c) disciplinary matters arising and addressed;
- (d) the performance and adequacy of the systems and controls of the virtual asset business;
- (e) financial matters concerning the operation of the virtual asset business; and
- (f) any other matter the Commission considers relevant.

### Retention of records

27. Notwithstanding anything to the contrary in any law relating to the retention of records, a licensee must retain all records obtained or produced during the operation and administration of its business for a minimum of seven years from the date the record was obtained or produced.

### Disclosure of information to the Commission

28. A licensee must ensure that appropriate procedures and adequate arrangements are in place to enable employees to alert and disclose any information to the Commission or local or foreign authorities concerning actual or potential infringements of these Regulations and to protect the employees from retaliation.

**SCHEDULE***(Regulation 3)***APPLICATION FOR CERTIFICATE OF LICENCE  
AS A VIRTUAL ASSET BUSINESS**

An Applicant is required to submit all the information and documents, as outlined in the Virtual Asset Business Regulations and by the Act, or otherwise requested by the Commission, to inform the licensing process.

**PART I****APPLICANT AND BUSINESS INFORMATION**

<b>1. APPLICANT AND BUSINESS INFORMATION</b>
1.1. Full legal name of virtual asset business applicant and company number (where applicable) (Company Name and number):
1.2 Trade name (if different from 1.1):
1.3 Business/Registered Address in [country]:
1.4 Telephone Number:
1.5 Fax Number:
1.6 E-mail Address:
1.7 Institution website (if applicable):
1.8 Date of Incorporation:
1.9 Company's tax reference number:
1.10 Provide a current tax compliance certificate from tax authorities.
1.11 Provide proof of legal status of applicant. If the applicant is a corporation, limited liability company, partnership or other entity the applicant must provide— (a) the certificate of incorporation or formation and a copy of the memorandum and articles of association, Act, charter, partnership agreement or other instrument constituting and defining the constitution of the applicant verified by a declaration made by one of the applicant's directors or partners or its secretary; and (b) a brief description of the structure or organisation of the applicant including any parent or subsidiary of the applicant.
1.12 Provide a certified copy of the audited financial statements or management accounts for the last 3 years, in the case of an existing business.
1.13 Provide a business plan, including a budget forecast, for 5 financial years from the date the applicant intends to provide the virtual asset business, and which demonstrates that the applicant is able to employ systems, resources and procedures in the provision of the payment service that are appropriate, proportionate and sound.

1.14 Purpose of the application, identification and description of the type of virtual asset business the applicant intends to provide:

1.15 Banking information:

Name of bank:

Branch name:

Name of holder of main business account for virtual asset business:

Account number:

I/we enclose an original letter from my/our bank confirming the above.

Note: If there is more than one such account due to branches outside ECCU, provide full details (if necessary, please use separate pages with proper referencing).

## PART II

### BUSINESS DESCRIPTION AND OPERATIONAL CAPABILITY

#### 2. BUSINESS DESCRIPTION AND OPERATIONAL CAPABILITY

Applicant must provide a description of the business (existing and/or proposed business for next two years) describing the virtual assets, including an indication of the total monthly cost associated with each virtual asset, marketing methods, client focus, geographical spread of the virtual asset business and branches, number of persons to be employed, methods to ensure compliance with statutory responsibilities, administrative procedures, and control (if necessary, please use separate piece of paper, with proper referencing).

Briefly describe the system and controls to be used in the virtual asset business (if necessary, please use separate piece of paper, with proper referencing).

<p>Provide a detailed description of the applicant's operational capabilities, including the physical premises, cybersecurity protocols, AML/CFT policies, data management systems, data protection systems, risk management systems, banking, virtual clearing, virtual custody arrangements and communication capabilities, as applicable (if necessary, please use separate piece of paper, with proper referencing).</p>
<p>Provide names and addresses of principal bankers, virtual asset businesses and other service and technical providers, as applicable (if necessary, please use separate piece of paper, with proper referencing).</p>
<p>Do you engage in any other activity than the virtual asset business hereby applied for?</p> <p>YES                      NO</p> <ul style="list-style-type: none"> <li>If you answered Yes, provide full details of the activity.</li> </ul>
<p>Are there any other ancillary products which the applicant or its holding company or subsidiary or affiliate sell, or intends to sell, in conjunction with the virtual asset business applied herewith:</p>

YES	NO
<ul style="list-style-type: none"> <li>If you answered Yes, provide full details of the ancillary products.</li> </ul>	

Explain the relative importance and volumes of these ancillary products in relation to the virtual asset business applied herewith.
Provide a schematic group structure and indicate whether the entity operates as a principal or intermediary for each specific ancillary product.

## PART III

## FUNDING AND FINANCIAL STATEMENTS

The existing and/or intended sources of funds to be utilised in the virtual asset business are as follows:

Type of Funding	Approximate Percentage
Own funds	
Borrowed funds	
Donor funds	
Any other (please specify)	

The following financial information is hereby provided—

- (a) if the applicant has been established within six months from the date of application and the applicant has not commenced operations—
  - i. a sworn statement from the authorised signatory of the applicant confirming that the applicant has not commenced trading and that no financial statements have been produced or dividends declared;

- ii. statement of financial position of the applicant from the date of establishment to the date of application; and
  - iii. three-year financial projections of the applicant;
- (b) for all other applicants—
- i. audited financial statements for two financial years immediately prior to the date of application or since the date of establishment, whichever is closest or equivalent to two years;
  - ii. the auditor's report accompanying the audited financial statements; and
- (c) interim financial statements of the applicant for the prior two quarters, signed and certified by the authorised signatory of the applicant to be true and complete; and, if the applicant has any significant shareholder who is a legal person, for each such significant shareholder—
- i. audited financial statements for the two financial years immediately prior to the date of application or since the date of establishment, whichever is closest or equivalent to two years;
  - ii. the auditor's report accompanying the audited financial statements; and
  - iii. most recent interim financial statements signed and certified by a director, manager, or company secretary to be true and complete.

Note: A copy of your most recent set of financial statements must be provided.

#### PART IV

FIT AND PROPER QUESTIONNAIRE FOR SIGNIFICANT SHAREHOLDERS, BENEFICIAL OWNER, MEMBER OF THE BOARD, DIRECTOR, MANAGER, OFFICER, EXECUTIVE OR PRINCIPAL REPRESENTATIVE OF THE VIRTUAL ASSET BUSINESS

#### 4. FIT AND PROPER QUESTIONNAIRE

Name of the institution in connection with which this questionnaire is being completed:

<p>Please select under what capacity you are completing this questionnaire: A member of the board, officer, executive, or principal representative for the business Beneficial Owner Significant Shareholder</p>
Family name:
First name:
Date of birth:
Place of birth:
Any previous name(s) by which you have been known. Please explain reasons for name change:
Gender: Male Female
Address: Permanent Address: Temporary Address (if different from permanent address):
Previous private addresses during the last ten years (with relevant dates):
Citizenship(s), and how it/they was/were acquired:

Birth Naturalisation Marriage
Passport number: (Please provide a certified copy of your passport.)
Tax identification number or other identification document – please specify other type):
Telephone number(s):

<p>Email address(es):</p>
<p>Present occupation or employment and occupations and employment during the last ten years, including the name of the employer, the nature of business, the position held and relevant dates, leaving no period unaccounted for, and including for each employment:</p> <p>the title of your position, the dates of employment, the name and address of your employer, and the name, position and telephone number of a reference.</p> <p>If necessary, please provide details on separate pages with proper referencing.</p>
<p>In order to assess the qualifications of the questionnaire respondents, please provide details of what bodies corporate—</p> <p>Are you now a director? have you been a director at any time during the last ten years? (specify the jurisdiction of incorporation in each case and nature of business)</p> <p>If necessary, please provide details on separate pages with proper referencing.</p>

Details of shareholding interest in financial institutions, and in other financial services companies such as fintech, virtual assets, insurance, pension, etc. (current and last ten years)

name of company

country of incorporation

percentage holding

nature of business

If necessary, please provide details on separate pages with proper referencing.

Professional qualifications and year in which they were obtained:

Academic qualifications:

Describe relevant industry experience. This includes an individual's previous experience in developing, or ensuring the proper and continued functioning of, a technology, platform or system.

Describe relevant management experience. This refers to hands-on experience in supervising and managing essential regulated functions or projects in a business setting, including the management of staff engaging in these functions or projects. The Commission will also accept management experience acquired in the financial industry.

Have you at any time been involved with an application for regulatory approval in any other jurisdiction where that application has been refused or withdrawn?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you at any time been charged or convicted of any offence other than:

an offence committed when you were under the age of 18 years unless the same was committed within the last ten years, or

an offence in connection with the use or ownership of a motor vehicle which was tried in a court of summary jurisdiction, or by any court, whether civil or military, in any jurisdiction?

If so, give full particulars of the charge and if convicted, the date of conviction, the offence and the penalty imposed.

Have you ever, at any time, been the subject of an investigation in relation to a financial institution?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you, anywhere, been censured, disciplined or criticised by any professional body to which you belong or have belonged, or have you ever held a practising certificate subject to conditions?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you ever been required to give evidence in any trial or proceedings involving fraud, dishonesty or similar matters, other than as an expert witness?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you, or anybody corporate, partnership or unincorporated institution with which you are, or have been associated as a director, shareholder, manager or officer, been the subject of an investigation, anywhere, by a governmental, professional or other regulatory body?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you, anywhere, been dismissed from any office or employment or barred from entry to any profession or occupation?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you been adjudicated bankrupt by a court in any jurisdiction?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you failed to satisfy any debt adjudged due and payable by you as a judgement-debtor under an order of a court in any jurisdiction?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Have you, in connection with the formation, control or management of a body corporate, partnership or unincorporated institution been adjudged by a court, in any jurisdiction, civilly or criminally liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof?

YES                      NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Has any body corporate, partnership or unincorporated institution with which you were associated as a director, shareholder, manager or officer, anywhere, been compulsorily wound up or made any compromise or arrangement with its' creditors or ceased trading in circumstances where its' creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it?

YES

NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

Has any body corporate, partnership or unincorporated institution with which you were associated as a director, shareholder, manager or officer, anywhere, had its authorisation revoked?

YES

NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

In carrying out your duties will you be acting on the directions or instructions of any other person?

YES

NO

If you answered Yes, provide full details (if necessary, use separate pages with proper referencing).

I CERTIFY that the above information is complete and correct to the best of my knowledge and belief and I undertake that, as long as I continue to be a director, shareholder, manager, executive, principal representative or officer of an institution authorised under the above laws, I will notify [supervisor] of any material changes affecting the completeness of the answers to questions 9-35 above within a period of twenty-one days.

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

### ATTACHMENTS

I/We enclose the following:

Non-refundable application fee of [      ].

Identity documents, including passports and proof residence for each natural person in Part IV of this Application.

Articles of association or bylaws of the company or any document by which the applicant is constituted (if applicable).

Certificate of incorporation from Registrar of Companies (if applicable).

Copy of a document showing income tax registration number.

A copy of any other registration or licensing certificate (if applicable).

Copy of the latest financial statements of the business (if already conducting a virtual asset business) or statement of financial position (if the applicant has not commenced operations).

Copy of the applicant's detailed and up to date business plan, inclusive of financial and operational projections, staffing requirements, a description of the products and services offered, target market and technological requirements.

Copy of the applicant's written supervisory, internal controls and risk management policies and procedures.

Evidence that the applicant meets the capital and liquidity requirements and has adequate insurance in accordance with regulations 6 and 25.

Organisational structure, including job descriptions for each officer.

A schedule of proposed fees for services rendered by the virtual asset business.

Yours faithfully

Authorised signature

## GENERAL NOTES:

1. All questions on the application form must be completed. Where an answer or documentation requested above is not known or available it is essential that this be brought to the attention of, and explained to, the Commission. Any application not fully completed will be returned to the applicant.
  2. Any significant shareholder, director, manager, executive or principal representative or officer appointed after the approval of a licence must within 30 days of such appointment complete and submit PART II and PART IV of this Application to the Commission.
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