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Bitcoin ATM and Bitcoin Investments Not Authorised by Regulators in ECCU

WEDNESDAY APRIL 28 2021 | by **ECCB**



Eastern Caribbean Central Bank (ECCB), the Eastern Caribbean Securities Regulatory Commission (ECSRC) and the Financial Services Regulatory Commission (FSRC) of Antigua and Barbuda have been made aware of the establishment of Bitcoin Automated Teller Machines (ATMs) which allow for the purchase of fractions of Bitcoin or Bitcoin Cash up to a daily limit of USD\$900 (EC\$2,430), at various locations in Antigua and Barbuda.

We advise the public that these Bitcoin ATMs and the services provided are not currently regulated by the ECCB, the ECSRC or the FSRC of Antigua and Barbuda.

In recognition of the prerequisites for the transition to a digital economy, the ECCB launched a project for the development of a legislative framework for the regulation of virtual assets and other fintech initiatives. Through the collaboration with member governments and national regulators across the Eastern Caribbean Currency Union (ECCU), a “**Virtual Assets Bill**” was developed. This legislation was approved by the Monetary Council and recommended for enactment in member countries in February 2021.



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In Antigua and Barbuda, the Digital Assets Business Act, which aims to regulate digital asset companies and provide protection for digital asset exchanges and their clients, was passed in 2020. This Act gives the FSRC authority to enforce the legal framework among the relevant companies, but the infrastructure especially the regulations are not yet in place to comprehensively regulate the activities of Bitcoin and other virtual assets and entities. These regulations are currently being prepared.

Until the appropriate legislative arrangements are completed and in place, it is recommended that members of the public proceed with caution when engaging with Bitcoin and other virtual assets and entities. Before involvement with these initiatives, citizens are advised to consider the following questions:

1. What do I know about this service provider and the services being offered?
2. Do I understand both the opportunities and the risks?
3. Is this service provider regulated and by whom?
4. Does this service provider have appropriate anti-money laundering (AML) controls?
5. What dispute resolution mechanisms exists if there is a dispute with this service provider?

The ECCB, ECSRC and FSRC of Antigua and Barbuda recognise that financial innovation is essential; however, the appropriate legal and regulatory framework is necessary to protect the integrity of the financial system and investors and consumers alike.

Members of the public are asked to be guided accordingly.



FINANCIAL SERVICES REGULATORY COMMISSION

Royal Palms Place, Friars Hill, St. John's, Antigua.

PUBLIC NOTICE

Date April 06, 2021

The Financial Services Regulatory Commission (“the Commission”) is charged with the licensing, regulation and supervision of the financial services sectors in Antigua and Barbuda except for Commercial Banks and designated Credit Institutions which falls under the mandate of the Eastern Caribbean Central Bank. The Commission is aware of a number of individuals and entities who have taken the initiative of engaging in Fintech-related activities within the jurisdiction including the use of virtual assets and especially the use of virtual coins. The Commission defines “virtual asset” as 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;

While Fintech initiatives have the support of the Commission, the general public is advised that the legal framework for supervising such activities is not yet fully in place, therefore, these transactions do not have any protection by statute as obtains for other licensable activities such as banking or money service

business. Individuals are therefore urged to fully assess their risks, before investing funds in any financial transactions relating to virtual assets business, including virtual coins. **Ends**