



Digital Assets and Registered Exchanges Act, 2020

FinTech & Digital Tokens Virtual Symposium

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Hosted by: The Ministry of Financial Services, Trade & Industry and Immigration
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Development

- Benchmarked 13 jurisdictions
- Engaged External Consultant to support initial research phase
- Careful monitoring of Global Standards (including FATF Recommendation 15)
- Internally drafted
- Industry consultation in development
- Goals
 - Internationally compliant framework
 - Business-friendly
 - Curb illicit activity
 - Development of the capital markets
- Operational: 14 December 2020



DARE provides for the Securities Commission of The Bahamas to regulate the issuance, sale and trade of digital assets in or from within The Bahamas



Digital Assets Business

- a digital token exchange;
- providing services related to a digital token exchange;
- operating as a payment service provider business utilising digital assets;
- operating as a digital asset service provider, including providing DLT platforms that facilitate: (i) the exchange between digital assets and fiat currencies; (ii) the exchange between one or more forms of digital assets; and (iii) the transfer of digital assets;
- participation in and provision of financial services related to an issuer's offer or sale of a digital asset;
- any other activity which may be prescribed by regulations.

Digital Asset

- a digital representation of value distributed through a DLT Platform where value is embedded or in which there is a contractual right of use and includes without limitation digital tokens

- All persons (which includes natural persons, companies, partnerships, trusts and any other legal entity) carrying on or involved in digital assets business operating in/from The Bahamas must be registered or licensed with SCB
- Full identification of founders, beneficial owners, security holders, directors and officers is required
- Financial institutions already licensed or registered with the Commission may apply for registration of additional digital asset business or service
- Licensed businesses must maintain professional conduct requirements including financial requirements (to be prescribed)
- FCSPA, 2020, provides for wallet service providers and custody of digital assets services to be licensable financial services



- Compliant with Financial Action Task Force Recommendation 15 re: New Technologies
- SCB takes a risk-based approach to AML/CFT supervision
- DARE Brings digital assets business under national AML/CFT risk coordination framework
- Digital Assets business must have systems in place to prevent, detect and disclose money laundering, terrorist financing and suspicious transactions pursuant to Proceeds of Crime Act, 2018 (POCA); the Anti-Terrorism Act, 2018 (ATA) and the Financial Transactions Reporting Act, 2018 (FTRA)
- For sale, exchange or transfer of digital assets, providers must conduct AML/CFT risk assessment, ensure compliance with POCA, ATA and FTRA, and comply with Commission's rules on AML/CFT



Other Investor Protection/ Market Integrity Measures



- Registrants to maintain data protection measures consistent with the Data Protection (Privacy of Information) Act re customers' personal data (s. 23)
- Commission to maintain register of digital asset business (s. 12)
 - Name and address of digital assets business
 - Regulatory licenses or registrations held by the business including foreign licenses or registrations
 - Names of principals, directors and other persons with management control
 - Conditions imposed by SCB
 - Will be accessible on SCB's website.
- Provides for SCB to establish financial requirements (s. 11)



Thank you!

Ms. Christina Rolle, Executive Director
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