



CAYMAN ISLANDS MONETARY AUTHORITY

22 November 2019

PUBLIC ADVISORY

RE: Virtual Assets and Virtual Asset Service Providers

The Cayman Islands Monetary Authority ("the Authority") is reminding the public that the provision of virtual asset services, pursuant to Schedule 6 of the Proceeds of Crime Law (2019 Revision), as amended ("POCL"), is an activity considered to be "relevant financial business" for the purposes of the Anti-Money Laundering Regulations (2018 Revision) ("AMLRs"). Virtual asset service providers (VASPs) are therefore required to take preventative measures under the AMLRs, including all customer due diligence measures.

As a part of its regulatory functions under the Monetary Authority Law (2018 Revision) (as amended), the Authority is responsible for monitoring compliance with the AMLRs and endeavours to reduce the possibility of financial businesses and persons conducting the relevant financial business being used for financial crime.

Persons engaged in relevant financial business, including VASPs, are reminded that failure to adhere to the requirements of the AMLRs can result in an administrative fine, pursuant to the Monetary Authority (Administrative Fines) Regulations (2019 Revision).

The Authority continues to encourage investors in virtual assets to conduct thorough research on the potential risks of investments in such assets and the companies or entities behind them in order to separate fiction from facts. The POCL defines "virtual asset" to mean "*a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes.*" As a general rule, a VASP should provide clear details of the proposed investment. When in doubt of a potential virtual asset investment, seek legal advice.

If you believe that you are a victim of fraud involving virtual assets, please contact the Financial Crime Investigation Unit of the Royal Cayman Islands Police Service on 345-649-6223.