



4 February 2022

## **NOTICE**

### **RE: Update on VASP Registrations and Regulatory Developments**

This notice provides an update on the Virtual Asset Service Provider ("VASP") registration process and regulatory developments relating to the licensing regime for virtual asset custodians and trading platforms under the Virtual Asset (Service Providers) Act, 2020 (the "VASP Act").

The Cayman Islands Monetary Authority (the "Authority") will, on a continuous basis, make available on the Authority's [website](#)<sup>1</sup> the names and status of entities that have been approved for registration pursuant to the VASP Act.

The Authority underscores the importance of the submission of complete and high-quality applications. The following common deficiencies have been observed in the review of VASP applications for registration and can cause delay:

- **Incomplete applications** - applicants failing to complete all relevant fields within the application forms, applications submitted with incomplete or no due diligence materials on directors, shareholders or beneficial owners, applicants changing the scope or other material information during active review of application by the Authority.
- **Insufficient information** - applicants failing to include a sufficient business plan or equivalent documentation outlining their business model, applicants submitting incomplete information on the organization structure, for example, only providing details of the parent company and not the group structure, applicants providing details of an affiliate company's business plan and not providing details of the applicant's operations, insufficient AML/CFT/CPF and cybersecurity policies.
- **Inconsistent supporting documentation** - applicants providing conflicting information on the ownership of the entity, its directors, and beneficial owners, number and location of customers, financial results and projections.

To assist with the completion of the application forms, and avoid these common errors, guidance has been made available via the [Authority's Regulatory Enhanced Electronic Forms Submission \("REEFS"\) System](#).

Please be advised that an application for registration **will not be processed by the Authority until it is complete**. Therefore, to avoid delays in the registration process, the Authority strongly encourages prospective applicants to submit complete VASP registration applications including all required information and necessary supporting documentation.

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<sup>1</sup> The search term "virtual asset" will display registered VASPs.

The Authority also takes this opportunity to announce the publication of the [Rule and Statement of Guidance for the provision of virtual asset services - Virtual Asset Custodians and Virtual Asset Trading Platforms](#) for private sector consultation. This represents an important milestone in the development of the second phase of the VASP regime in the Cayman Islands.

The Authority wishes to thank market participants for their continued collaboration in the development of a robust and flexible regulatory regime for the provision of virtual assets services in or from the Cayman Islands.

Should you require any further information, please email [vaspinfo@cima.ky](mailto:vaspinfo@cima.ky).