



Looking Over The Horizon:

The Emerging Legal & Regulatory Framework for
Cryptocurrency & Other Digital Assets

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Overview



Digital Asset Business Act and Regulations
Anguilla vs Antigua



01

02

The Anguilla Experience



Regulatory Tools

03





01

Digital Asset Business Act & Regulations

Services Offered

Anguilla

- Category 1-Selling or redeeming virtual coins, tokens, or any other form of digital assets to exclude utility tokens
- Category 2 – Operating as a payment service provider to include the provision of fund transfer services and holding funds in connection with digital asset transactions.
- Category 3 – Operating as an exchange to exclude utility token exchanges.

Antigua

- Issuing, selling, or redeeming virtual coins, tokens or any other form of digital assets
- Operating as a payment service provider business utilizing digital assets which includes the provision of services for the transfer of funds and holding funds in connection with digital asset transactions
- Operating as an exchange.

Services Offered

Anguilla

- Category 4 – Providing custodial wallet services
- Category 5 – Operating as a digital asset services vendor
- Category 6 – Providing digital asset custody services

Antigua

- Providing custodial wallet services
- Operating as a digital asset services vendor
- Providing digital asset custody service

Services Offered

Anguilla

- Category 7 – Lending, borrowing, providing financial services, or issuing derivatives with respect to, and otherwise dealing with digital assets
- Category 8 – Special purpose depository services.

Antigua

- Providing digital asset custody service
- Lending, borrowing, providing financial services, or issuing derivatives with respect to, and otherwise dealing with digital assets
- Special purpose depository services

Classes of Licence

Anguilla

- Class A – Category 1
- Class B – Category 2
- Class C – Category 3
- Single – Category 4, 5, 6, 7 or 8 only
- Composite – Category 1 to 8

Antigua

- Category A – Payment Services Provider, Digital Asset Services Vendors, Custodial Wallet Services Provider, Digital Asset Custody Services Provider and Special purpose Depository Service
- Category B – Digital Asset Exchanges
- Category C – Sandbox licence

Capital Requirements

Anguilla

- Class A – \$25,000+
- Class B – \$200,000+
- Class C – \$500,000+
- Single – \$25,000+
- Composite – \$600,000+

Antigua

- Class A - \$50,000 - \$100,000
- Class B - \$100,000 - \$300,000

Fees

Anguilla

Antigua

Application Fees	\$5,000 to 20,000	\$10,000 to 20,000
Annual Fees	\$10,000 to 80,000	\$20,000 to 70,000

Other Key Differences

Anguilla



Antigua

Definition of fit and properness	Not defined
Submission of periodic reports	No provision
Obligation to disclose info to customers	No provision
Emergency powers	No provisions
Approval of controlling shareholder and officers	Notification of change in shareholder and officers
Appointment of CO in FSC Act	Appointment of CO in DABA



02

The Anguilla Experience



Anguilla Law



- Anguilla Utility Token Offering legislation
- Utility Token Exchange legislation
- Distributed Ledger Technology Committee

AUTO Application Process

A word cloud of terms related to the AUTO Application Process. The words are arranged in a circular pattern around the central word 'application'. The words include: application, operations, whitepaper, experts, auto, screening, escrow, statements, cdd, agreements, businessplan, outsourcing, legalopinions, manuals, and escrow.

application
operations
whitepaper
experts
auto
screening
escrow
statements
cdd
agreements
businessplan
outsourcing
legalopinions
manuals

Why DABA?

- ✓ Extensive research on sector
- ✓ Prior experience
- ✓ ECCB Draft Virtual Asset Regulations
- ✓ Need for regulatory clarity
- ✓ Risk-based approach



03

Regulatory Tools



In August 2020, The Anguilla Financial Services Commission launched its first innovation office

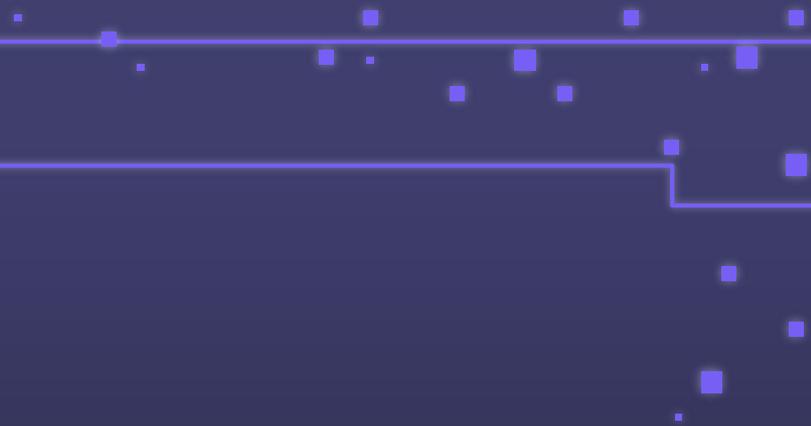
Innovation Office

Key Objectives

- Provide clear guidance to potential applicants
- Provide clarity on the integration of innovative products into existing and new business models
- Provide responses in relation to the development of FinTech solutions.



ECSRC Sandbox

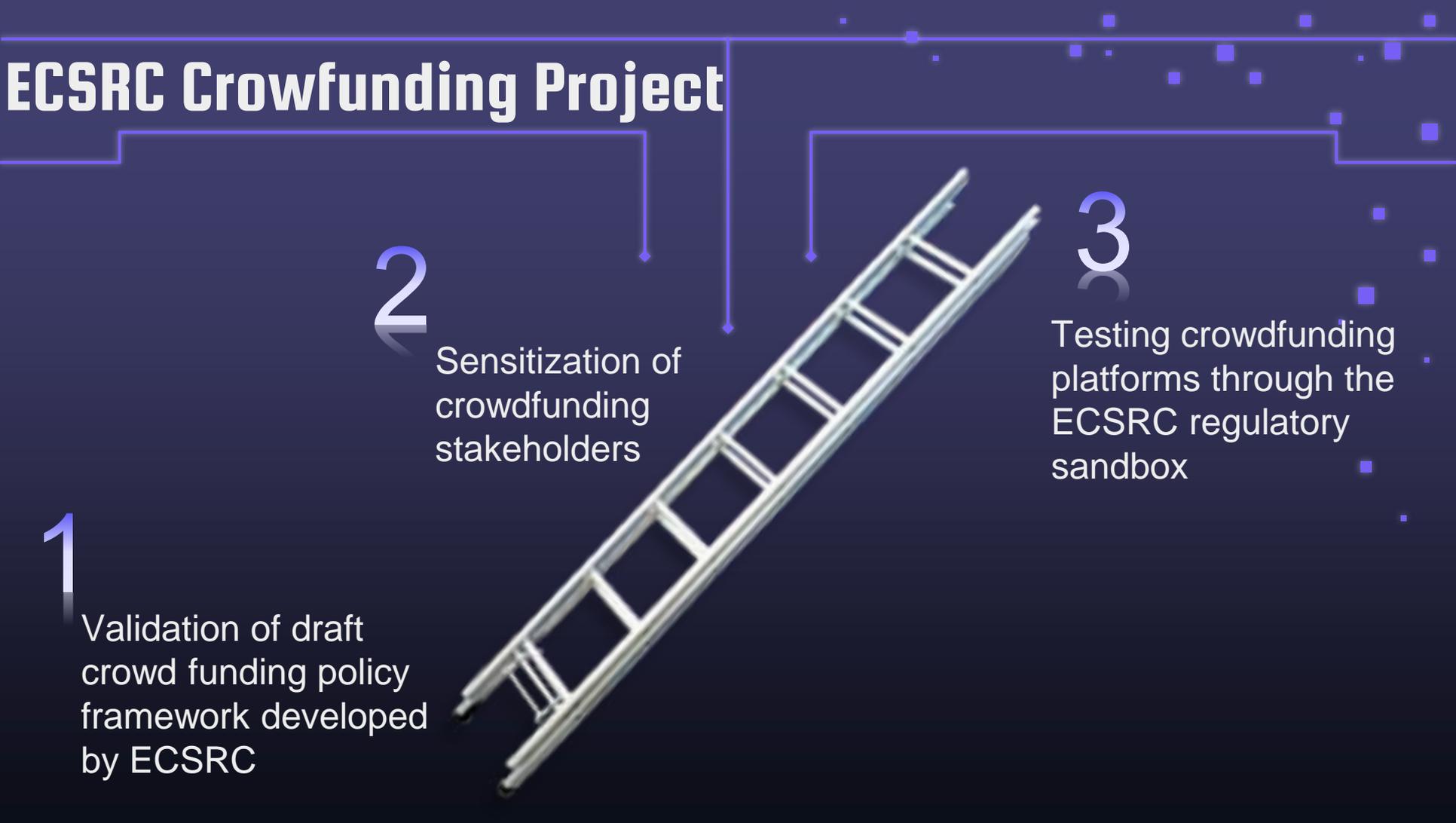


Key Objectives

Enable firms with innovative financial products and services, that relate to securities, to test those products, services, technologies, and business models in real-world implementation.

Help the ECSRC to learn about market developments and obtain knowledge on the new regulatory needs required to adequately regulate and supervise the innovative developments in the financial market.

ECSRC Crowdfunding Project



1

Validation of draft crowd funding policy framework developed by ECSRC

2

Sensitization of crowdfunding stakeholders

3

Testing crowdfunding platforms through the ECSRC regulatory sandbox



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