

# Crypto regulation in the British Virgin Islands

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## Crypto Legislation

- Virtual Assets Service Providers Act 2022
- BVI FSC Guidance on Application for Registration of a Virtual Assets Service Provider 2023

## Financial Legislation

- Securities and Investment Business Act (SIBA)
- Financing and Money Services Act, 2009 (FMSA)

## AML Regulation

- Anti-money Laundering Regulations 2022 that amended Anti-Money Laundering Regulations 2020
- Anti-Money Laundering and Terrorist Financing Code of Practice 2022
- Guide to the Prevention of Money Laundering, Terrorist Financing and Proliferation Financing
- FATF Standards on Virtual Assets and Virtual Asset Service Providers

## Taxation

- BVI Business Companies Act (Revised 2020)

# Overview



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The British Virgin Islands (BVI) has developed a comprehensive legal framework to regulate crypto assets and related activities. Central to this framework is the Virtual Asset Service Provider (VASP) Act. Virtual Assets Service Providers Act 2022 came into force on 1 February 2023.

The VASP Act regulates Virtual Asset Service Providers (VASPs) and requires that VASPs be registered with the BVI Financial Services Commission (FSC).

The FSC is the authority responsible for the regulation and supervision of financial services conducted as well as VASPs operating in or from within the BVI.

The VASP Act, however, does not cover token issuance, leaving this area essentially unregulated in the BVI. Yet, it's important to understand that issuing security tokens is a different matter. Such activities fall under the purview of the BVI securities laws, specifically regulated by the Securities and Investment Business Act (SIBA).

While crypto mining is not prohibited, it falls outside the scope of specific regulations. The same applies to Decentralised Autonomous Organisations (DAOs), which are not specially regulated under the current legal framework.

Status of regulation:  
positive

# Tips & Tricks by D&A Partners

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The BVI is renowned as an offshore jurisdiction, a status that carries a dual-edged sword. On one hand, it offers financial privacy and operational efficiency; on the other, it bears a heightened reputational risk. This risk stems from global perceptions of offshore financial centres as having lower transparency, which can potentially impact the credibility of crypto projects based in the BVI. Clients and investors often exercise caution, influenced by

The cornerstone of this framework is the VASP Act, mandating registration with the Financial Services Commission (FSC) for activities like exchanging virtual assets for fiat currencies, transferring virtual assets, and their safekeeping or administration. In tandem with the VASP Act, the BVI has also instituted specific AML regulations for virtual asset service providers (VASPs) and virtual asset custodians (VACs).

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