

Crypto regulation in Marshall Islands

August 2024

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Sources

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Crypto Legislation

- Decentralised Autonomous Organisation Act, 2022
- Decentralised Autonomous Organisation (Amendment) Act, 2023
- Limited Liability Act, 52 MIRC
- Banking Act 1987, Banking Amendment Act, 2020
- Banks and Financial Services Providers Licensing and Fees Regulations 2020

AML Legislation

- FATF Standards on Virtual Assets and Virtual Asset Service Providers
- Anti-Money Laundering Regulations, 2002 (Amendments 2023).

Overview



Overview

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The Marshall Islands have a positive stance towards virtual assets.

In February 2022, the country enacted the DAO Act, which provides the foundation for creating, operating, and governance of Decentralised Autonomous Organisations (DAOs) within its jurisdiction. DAOs can be registered as legal entities.

Additionally, Virtual Asset Service Providers (VASPs) are recognised as financial services providers and are regulated under the Banking Act. VASPs are also subject to anti-money laundering (AML) requirements, which ensure they adhere to international standards.

However, token issuance remains unregulated, and there is currently no specific legislation concerning cryptocurrency mining.

Notably, in 2018, the Marshall Islands made headlines by announcing the creation of the Sovereign (SOV), a national digital currency designed to function as a legal tender alongside the US dollar. This initiative underscores the country's progressive stance towards integrating digital assets into its financial system.

Status of regulation:
positive

Tips & Tricks by D&A Partners

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The Marshall Islands is recognised as an offshore jurisdiction, a status that carries both advantages and challenges. On one hand, it offers financial privacy and operational efficiency; on the other, it faces heightened reputational risk. This risk arises from global perceptions of offshore financial centres as having lower transparency, which can potentially affect the credibility of crypto projects based in the

Despite these challenges, the Marshall Islands is one of the few jurisdictions in the world that has enacted the DAO Act, which allows for the registration of Decentralised Autonomous Organisations (DAOs) as legal entities. This legislation, enacted in February 2022, provides the foundation for the creation, operation, and governance of DAOs within the legal system. This act is a significant development

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