



PUBLIC CONSULTATION PAPER
Proposed Licensing Regime and Regulatory Measures for
Virtual Asset Service Providers

Consultation period: 11 June – 10 July 2026

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1. INTRODUCTION

The Financial Services Commission (the “FSC” or the “Commission”) has been designing the regulatory architecture to support its forthcoming mandate to regulate and supervise virtual asset service providers (“VASPs”). Alongside the proposed Virtual Assets Service Providers Act (the “VASP Act”), the Commission has developed a suite of supplementary instruments to operationalise the licensing regime and the supervisory framework for the sector.

These instruments have been developed in alignment with the Financial Action Task Force (“FATF”) Recommendations 1, 15, 16, and 26, and with reference to leading international comparator frameworks, including the European Union’s Markets in Crypto-Assets Regulation (MiCA), the United Kingdom Financial Conduct Authority’s regime, Singapore’s Payment Services Act framework, and comparable Caribbean jurisdictions.

This Consultation Paper invites feedback from the industry, the professional community, and the wider public on the proposed measures before they are finalised and brought into effect upon enactment of the proposed VASP Act.

2. PURPOSE OF THIS CONSULTATION

The purpose of this consultation is to obtain informed feedback on three proposed instruments that will govern the virtual asset sector in Jamaica:

- the AML/CFT/CPF Guidelines for VASPs;
- the Business Conduct Standards for VASPs; and
- the Licensing Requirements for VASPs.

The Commission wishes to ensure that the proposed framework is robust, proportionate, and capable of effective implementation by the entities to which it will apply. Feedback received will be reviewed and considered in finalising the instruments.

3. RATIONALE FOR CONSULTATION

3.1 A new regulated population

VASPs will represent a new regulated population under the Commission’s supervisory mandate. Unlike the securities and insurance sectors, where regulatory norms have been refined over decades of supervisory practice, the virtual asset sector has no prior regulatory baseline in Jamaica. The Commission therefore has no historical compliance data and no established supervisory relationship with the entities that will be affected. Consultation provides a structured mechanism to surface practical implementation considerations that desk-based policy development alone cannot anticipate.

3.2 Substantive new obligations

The proposed instruments impose substantive new obligations on an industry that has, to date, operated largely outside formal regulatory oversight. The AML/CFT/CPF Guidelines introduce sector-specific customer due diligence, transaction monitoring, Travel Rule, and counter-proliferation financing requirements. The Business Conduct Standards establish expectations for governance, client asset protection, disclosure, and market integrity. The Licensing Requirements define the threshold conditions for market entry. Consultation allows affected parties to understand, prepare for, and provide informed feedback on these requirements before they take effect.

3.3 Alignment with international standards

The development of the framework reflects Jamaica’s commitment to meeting international regulatory standards for virtual assets, including the FATF Recommendations. A transparent consultation process, involving meaningful engagement with the private sector, supports the credibility and effectiveness of the framework and ensures that the requirements are understood and implementable by the entities to which they apply.

4. SCOPE: SUMMARY OF THE PROPOSED INSTRUMENTS

4.1 AML/CFT/CPF Guidelines for VASPs (Appendix I)

The AML/CFT/CPF Guidelines are supplementary to, and to be read in conjunction with, the Commission’s existing Guidelines on the Prevention of Money Laundering and Countering the Financing of Terrorism and Proliferation (February 2023). They provide sector-specific guidance to VASPs on the application of their obligations under the Proceeds of Crime Act, the Terrorism Prevention Act, and the United Nations Security Council Resolutions Implementation Act. Key areas addressed include:

- ML/TF/PF risk factors specific to virtual assets, including privacy and anonymity features, decentralised business models, cross-border operations, and the immutability and convertibility of virtual assets;
- risk assessment obligations across customer, product, transaction, geographic, and delivery channel risk;
- risk mitigation through internal controls, including transaction limits, time delays, and third-party transfer restrictions;
- customer due diligence requirements, including blockchain analytics, IP address verification, wallet address screening, and enhanced due diligence triggers;
- identification and record-keeping requirements for virtual asset transfers (the “Travel Rule”);
- implementation of targeted financial sanctions, including real-time wallet address screening and reporting to the FID via the goAML portal;
- countering the financing of proliferation of weapons of mass destruction; and
- suspicious activity identification and reporting, including virtual asset-specific indicators.

4.2 Business Conduct Standards for VASPs (Appendix II)

The Business Conduct Standards establish the minimum standards governing how VASPs conduct their business, interact with clients, and manage their operations. The measure is organised around six high-level guiding principles: (i) governance and internal controls; (ii) integrity and fair dealing; (iii) skill, care and diligence; (iv) fair treatment of clients; (v) protection of client assets and information; and (vi) cooperation with the Commission, supported by detailed standards across areas including:

- corporate governance, including board-approved policies and proportionate oversight;
- marketing, promotions and communications, including accuracy and risk disclosure;
- client onboarding, including suitability assessments and written client agreements;
- safeguarding of client assets, including segregation from proprietary assets and orderly wind-down;
- market manipulation, including surveillance systems and prohibited practices such as wash trading, spoofing, and layering;
- conflicts of interest, outsourcing and third-party relationships, public disclosures, complaints handling, insurance, data protection, and cross-border transactions; and
- sector-specific standards for virtual asset trading platforms and virtual asset custodians.

4.3 Licensing Requirements for VASPs (Appendix III)

The proposed Licensing Requirements, to be effected through regulations, establish the conditions for market entry, ongoing compliance, and the applicable fee structure for VASPs seeking to operate in or from Jamaica. The regime will provide for six classes of licence, each corresponding to a distinct virtual asset service activity:

Class	Activity	Description
Class A	Virtual Asset Trading Platform Operator (Exchanges)	Operation of platforms that facilitate the matching of buy and sell orders for virtual assets
Class B	Virtual Asset Advisory Services	Provision of advisory services in relation to virtual assets
Class C	Virtual Asset Custody Services	Safekeeping, administration, and control of virtual assets on behalf of clients
Class D	Virtual Asset Broker-Dealer	Brokerage or dealing in virtual assets as principal or agent
Class E	Virtual Asset Wallet Services	Provision of wallet services for the holding and transfer of virtual assets
Class F	Virtual Asset Conversion Services	Conversion or exchange between virtual assets and fiat currencies, or between virtual assets

Key elements of the proposed licensing regime include eligibility; fitness and propriety of directors, officers, owners, and controllers; a business plan demonstrating commercial viability; minimum paid-up share capital; AML/CFT compliance; cybersecurity policies and procedures; substance requirements (a functional local office, resident director(s), a Nominated Officer in Jamaica, locally accessible records, quarterly board meetings, and a Jamaican bank account); a risk-based fee structure; and enforcement powers.

5. How to Respond to the Consultation

5.1 Who may respond

The Commission welcomes submissions from all interested parties, and in particular from: persons currently providing or intending to provide virtual asset services in or from Jamaica; industry associations and fintech representative bodies; legal practitioners with expertise in financial regulation, AML/CFT, or virtual assets; the Jamaica Stock Exchange; and technology and cybersecurity professionals with experience in virtual asset infrastructure.

5.2 How to submit

Submissions must be made using the response template at Annex A and forwarded by email to Mr. Paul McAllister at respol@fscjamaica.org on or before 10 July 2026. Submissions received after the close of the consultation period may not be considered.

5.3 Form of feedback

To ensure that all responses receive due consideration, respondents should make clear reference to the specific instrument and section being commented on, and ensure that comments are unambiguous, clearly articulated, and based on fact. Where feedback proposes a change to a policy position or a material amendment to a requirement of a proposed measure, the respondent must provide information and supporting evidence for the position taken.

The table below illustrates the Commission’s expectations regarding the form of feedback. The example is illustrative only and does not reflect the content of the proposed measures.

Example of a helpful comment	Examples of comments needing more support
<p>The term "business day" is used in paragraph 3.1 but is not defined in the definitions section, and it is unclear whether it excludes public holidays. This creates uncertainty as to how the stated time period is to be calculated.</p> <p>Suggested wording: that "business day" be added to the definitions section and defined as "any day other than a Saturday, Sunday, or public holiday in Jamaica."</p>	<ul style="list-style-type: none"> X This is not what is done in other jurisdictions. X I don't think the requirement should apply. X The Commission has not considered industry views.

The consultation process is not designed to address individual complaints or grievances. Feedback of that nature should be submitted through the Commission's established complaints process.

5.4 Confidentiality of submissions

Submissions will be treated as confidential and will not be published in attributed form. The Commission may, however, publish a summary of the feedback received and of how it has been addressed, on a non-attributed basis, in the interest of transparency. The Commission may also be required to disclose submissions where compelled to do so by law.

Annex A — Response Template

The template should be completed as one entry per respondent. Additional rows or copies of the template may be used as required to capture multiple comments, as needed. Please submit the completed template by email to respol@fscjamaica.org on or before 3 July 2026.

Respondent name	[Individual or organisation name]
Organisation / capacity	[e.g. VASP, legal practitioner, industry body, member of public]
Contact email	[email address]
Instrument	[AML/CFT/CPF Guidelines / Business Conduct Standards / Licensing Requirements]
Section / paragraph reference	[e.g. Licensing Requirements, para. 4.2]
Comment and supporting rationale	[State your comment clearly and unambiguously]
Suggested wording (if applicable)	[Proposed alternative wording]