

BVI Virtual Asset Service Providers Act - be ready for the deadline

Insights - 24/04/2023

In the closing days of last year the British Virgin Islands (BVI) enacted its long-awaited Virtual Asset Service Providers Act 2022 (the **VASP Act**). Given the requirements for registration under the VASP Act, we would strongly suggest that any affected virtual asset service provider which has not already submitted a registration application or is in process of doing so, should now seek the necessary advice and begin the application process as soon as possible and certainly well in advance of the deadline of 31 July 2023.

| Who does it apply to?

The VASP Act, which came into force on 1 February 2023, has created a new legal framework for the registration and supervision of persons engaged in the business providing "virtual asset services" (**VASP business**).

VASP business is defined in the VASP Act as the business of engaging, on behalf of another person, in the following activities ("virtual asset services"):

- exchange between virtual assets and fiat currencies
- exchange between one or more forms of virtual assets
- transfer of virtual assets, where the transfer relates to conducting a transaction on behalf of another person that moves a virtual asset from one virtual asset address or account to another
- safekeeping or administration of virtual assets or instruments enabling control over virtual assets
- participation in, and provision of, financial services related to an issuer's offer or sale of a

virtual asset

The following activities would also be considered to be the provision of a virtual assets service:

- hosting wallets or maintaining custody or control over another person's virtual asset, wallet or private key
- providing financial services relating to the issuance, offer or sale of a virtual asset
- providing kiosks (such as automatic teller machines, bitcoin teller machines or vending machines) for the purpose of facilitating virtual assets activities through electronic terminals to enable the owner or operator of the kiosk to actively facilitate the exchange of virtual assets for fiat currency or other virtual assets

As well as persons based in the BVI and providing services from the Territory, the VASP Act also applies to all **BVI incorporated companies engaged in VASP business** irrespective of where in the world such companies operate or provide services.

What do people caught by the VASP Act need to do?

The VASP Act requires that any person engaging in the business of providing a virtual asset service to become registered with the BVI Financial Services Commission (FSC) by submitting an application and certain supporting items in the forms and as required by the VASP Act.

What about existing entities already engaging in virtual asset service business?

For persons who were already engaged in a virtual asset service business before the VASP Act became law, a grandfathering provision applies. This allows such persons to continue to conduct business without yet being registered with the FSC – **provided that an application for registration is made within six months of the date the Act came into force.**

As the VASP Act came into force on 1 February 2023, **the deadline for VASP Act registration applications for existing business is 31 July 2023**, a date that is now fast approaching.

What should existing entities do now?

Our [Technology and Web3 team](#) at Ogier, which is recognised for its leading legal and regulatory experts in all aspects of crypto, blockchain, Web3 and virtual asset services, stand ready to advise and assist clients on registrations under the VASP Act and to help them navigate the new regulatory landscape introduced in the BVI.

For more information of the VASP Act, including its application, scope and registration requirements, [see our earlier client briefing](#).

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