



4 July 2018

## **ADVISORY**

### **Bitcoin ATM Not Authorised by Regulators in ECCU**

It has come to the attention of the Eastern Caribbean Central Bank (ECCB) and the Financial Services Regulatory Commission of St Kitts and Nevis (FSRC) that a Bitcoin ATM has been installed at a location in the Federation of St Kitts and Nevis. It is also our understanding that there are plans for the installation of similar machines in other locations in the Federation.

The public is hereby cautioned that the operation of Bitcoin ATMs or any other sort of cryptocurrency operations is not currently regulated by the ECCB, the FSRC St Kitts and Nevis or by any regulatory authority in the Eastern Caribbean Currency Union (ECCU). In addition, bitcoin or any issuer of bitcoin has not been designated under the Payment System Act in St Kitts and Nevis. This means that there are no existing regulations to specifically protect consumers from financial losses if an organisation that exchanges or holds virtual currencies fails or goes out of business.

In other words, persons who choose to use these services or are contemplating use of these services ought to understand that they do so completely at their own risk. The extent of this risk, at this point in time, is not fully known given the novelty of the area and the absence of regulatory oversight.

**-more-**



# Eastern Caribbean Central Bank

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The ECCB issued an advisory on 5 June, 2018 recognising developments in the FinTech space and encouraging consumers to be cautious in their use. Indeed, the consuming public was asked to consider several questions when considering involvement. Click here for more: (<https://www.eccb-centralbank.org/news/view/eccb-advisory-on-fintech-operations-in-the-eccu>).

The ECCB and the FSRC recognise that financial innovation is essential, however the appropriate legal and regulatory framework is necessary to protect the integrity of the financial system and investors and consumers alike.

At this stage, the ECCB, as a regional regulator, is pressing ahead with its work to advise the Governments of the ECCU on an appropriate regional framework for FinTech regulation and supervision as well as a strategy to reduce the use of cash to help boost growth and competitiveness. To this end, the ECCB will be working with other national regulators within the ECCU to adopt a common approach.

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