

CAYMAN ISLANDS



VIRTUAL ASSET (SERVICE PROVIDERS) (AMENDMENT) (NO. 2) BILL, 2023

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**A BILL FOR AN ACT TO AMEND THE VIRTUAL ASSET (SERVICE PROVIDERS) ACT
(2022 REVISION) TO UPDATE REFERENCES RELATING TO THE BENEFICIAL
OWNERSHIP REGIME; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce (FSC)



**Memorandum of
OBJECTS AND REASONS**

This Bill amends the Virtual Asset (Service Providers) Act (2022 Revision) (the “principal Act”) to update references relating to the beneficial ownership regime.

Clause 1 provides the short title and commencement of the legislation.

Clause 2 amends section 25 of the principal Act to replace the references to Part XVIIIA of the Companies Act (2022 Revision), Part 12 of the Limited Liability Companies Act (2021 Revision) and Part 8 of the Limited Liability Partnership Act (2021 Revision) with references to the Beneficial Ownership Transparency Act, 2023.

Clause 3 amends section 32 of the principal Act to replace the references to Part XVIIIA of the Companies Act (2022 Revision), Part 12 of the Limited Liability Companies Act (2021 Revision) and Part 8 of the Limited Liability Partnership Act (2021 Revision) with references to the Beneficial Ownership Transparency Act, 2023.

Clause 4 amends section 33 of the principal Act to replace the references to Part XVIIIA of the Companies Act (2022 Revision), Part 12 of the Limited Liability Companies Act (2021 Revision) and Part 8 of the Limited Liability Partnership Act (2021 Revision) with references to the Beneficial Ownership Transparency Act, 2023.

CAYMAN ISLANDS



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Arrangement of Clauses

Clause	Page
1. Short title and commencement	7
2. Amendment of section 25 of the Virtual Asset (Service Providers) Act (2022 Revision) - enforcement powers of the Authority.....	7
3. Amendment of section 32 - duty of auditor.....	8
4. Amendment of section 33 - entry and search of premises.....	8

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A BILL FOR AN ACT TO AMEND THE VIRTUAL ASSET (SERVICE PROVIDERS) ACT (2022 REVISION) TO UPDATE REFERENCES RELATING TO THE BENEFICIAL OWNERSHIP REGIME; AND FOR INCIDENTAL AND CONNECTED PURPOSES

ENACTED by the Legislature of the Cayman Islands.

Short title and commencement

1. (1) This Act may be cited as the Virtual Asset (Service Providers) (Amendment) (No. 2) Act, 2023.
- (2) This Act comes into force by Order made by the Cabinet.

Amendment of section 25 of the Virtual Asset (Service Providers) Act (2022 Revision) - enforcement powers of the Authority

2. The *Virtual Asset (Service Providers) Act (2022 Revision)*, in this Act referred to as the “principal Act”, is amended in section 25(2) by repealing paragraph (g) and substituting the following paragraph —
 - “(g) is a “corporate services provider”, as defined by section 2 of the Beneficial Ownership Transparency Act, 2023 and the corporate services provider has contravened that Act; or”.

Amendment of section 32 - duty of auditor

3. The principal Act is amended in section 32(1)(b) by repealing subparagraph (ii) and substituting the following subparagraph —

“(ii) the *Beneficial Ownership Transparency Act, 2023* if the licensee is a “corporate services provider” as defined by that Act;”.

Amendment of section 33 - entry and search of premises

4. The principal Act is amended in section 33(2) by repealing paragraph (b) and substituting the following paragraph —

“(b) there is on those premises evidence of any contravention of this Act, the *Proceeds of Crime Act (2020 Revision)* or the *Beneficial Ownership Transparency Act, 2023*;”.

Passed by the Parliament the day of , 2023.

Speaker

Clerk of the Parliament

