



# **BERMUDA MONETARY AUTHORITY**

## **INFORMATION BULLETIN**

### **DIGITAL ASSET BUSINESS (DAB)**

### **LICENCE APPLICATION PROCESS**

**MAY 2021**

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## **I. INTRODUCTION**

This Information Bulletin provides information to prospective Digital Asset Business (DAB) applicants with respect to the licence application process and documentation requirements. At any time during this process, prospective applicants are invited to reach out to the Authority should they require any additional information via [FinTech@bma.bm](mailto:FinTech@bma.bm).

## **II. ROLE OF THE ASSESSMENT AND LICENSING COMMITTEE (ALC)**

Under section 4D of the Bermuda Monetary Authority Act 1969 (Act), the functions and powers of the Bermuda Monetary Authority (Authority or BMA) may, by an instrument in writing, delegate to an officer or servant of the Authority, or a committee constituted by the board from persons who are officers or servants of the Authority, any function or power vested in the Authority. The responsibility to make decisions on applications for licensing under the Act is sub-delegated to the sector-specific ALC.

The ALC structure was established in 2007 by the board of directors of the Authority to consider applications for licensing of financial services businesses seeking to operate in or from within Bermuda. The sector-specific ALC for digital assets consists of a chairperson, who is ordinarily the Senior Advisor, FinTech, or Managing Director responsible for supervising DABs, and includes a multi-disciplinary panel of relevant expertise drawn from the FinTech, Supervision, Actuarial, Policy Development and Anti-Money Laundering/Anti-Terrorist Financing Departments within the Authority.

The Committee generally convenes once a week on Thursday mornings at 9:00 a.m. to review the applications presented for consideration in order to reach a consensus on whether to approve, defer or decline the applications for licensing. Applicants will be informed of the ALC decision as soon as possible subsequent to the meeting, followed by a formal letter from the Authority confirming the same.

### **III. DAB APPLICATION PROCESS AND DOCUMENTATION REQUIREMENTS**

A detailed, comprehensive DAB application must be submitted for the licensure of an entity under the Digital Asset Business Act 2018 (DABA) in the appropriate form as follows:

1. In any given week, completed applications must be received by the Authority no later than 5:00 p.m. on the relevant Thursday in order to be considered by the ALC on a Thursday four weeks later. Generally, applications received after the aforementioned deadline may result in delays to the ALC review process.
2. Applications should be e-mailed to [FinTech@bma.bm](mailto:FinTech@bma.bm). No hard copies are required to be filed. If applicants encounter difficulties with attaching documents in the application forms (under the 'Documentation Checklist' tabs) or the total size of the documents exceed the maximum size for an e-mail, please contact the FinTech Department at the above e-mail address to receive instructions on how to submit via the Authority's secure drive.
3. All documents included in a DAB application must be provided to the Authority in English.
4. Applications must be submitted using the relevant application form, depending on the class of licence sought. Use the links below to access the most up-to-date version of the relevant application form via the BMA website:
  - [T \(test licence\)](#)
  - [M \(modified licence\)](#)
  - [F \(full licence\)](#)
5. The Authority acknowledges that all of the documents required for a comprehensive DAB application may not be available at the time of an application or may not be applicable based on the proposed business plan. In cases where the required documentation is not provided, a written explanation for any such omission is required.

Applications that do not contain the necessary documents may be deferred or deemed insufficient for review.

6. Application fees must be paid concurrently with the application to ensure timely treatment.

Application fees are as follows<sup>1</sup>:

<b>Class of licence sought</b>	<b>Application fee</b>
T licence	\$1,000
M licence	\$2,266
F licence	\$2,266

Accepted payment methods are as follows:

Domestic payments	<p><i>DABs can make payments directly to the BMA via the online banking systems at HSBC Bermuda via the following payment stream:</i></p> <ul style="list-style-type: none"> <li>- <i>Digital Asset Business Act (DABA)</i></li> </ul>
International wire transfer	<p><i>For payments to our Bank of N.T. Butterfield &amp; Son Limited account please use the following:</i></p> <p><i>The Bank of New York Mellon ABA 021000018 SWIFT IRVTUS3NXXX Account number: 8900570903</i></p> <p><i>Credit to: Bank of N.T. Butterfield and Son Limited SWIFT BNTBBMHM</i></p> <p><i>In favour of: Bermuda Monetary Authority Account No: 20 006 060 894331 100</i></p> <p><i>For payments to our HSBC account please use the following:</i></p>

<sup>1</sup> Provided for information purposes only, the full and up-to-date list of fees can be found in the Fourth Schedule of the *Bermuda Monetary Act 1969*, online at:

<http://www.bermudalaws.bm/laws/Consolidated%20Laws/Bermuda%20Monetary%20Authority%20Act%201969.pdf>, or on the latest BMA fees document found at: <https://www.bma.bm/fees>.

	<p><i>HSBC Bank USA, N.A.</i>  <i>ABA 021001088</i>  <i>SWIFT MRMDUS33</i>  <i>Credit to:</i>  <i>HSBC Bank Bermuda Limited</i>  <i>SWIFT BBDABMHM</i></p> <p><i>In favour of:</i>  <i>Bermuda Monetary Authority</i>  <i>Account No: 010 308427 001</i></p>
Any payment queries should be directed to:	<a href="mailto:Finance-receivables@bma.bm">Finance-receivables@bma.bm</a>

7. Once the application has been filed with the Authority, the following can be expected:

Within two business days	<p>E-mail that confirms reception of the application and assignment of a case manager.</p> <p>The case manager will e-mail the completed (unsigned) application back to the individuals identified in the 'Declarations' tab for electronic signature.</p> <p>All future communication should be directed to the assigned case manager.</p>
Within three business days	E-mail that either confirms that the application is complete (i.e. all required documents have been filed) or specifies which documents are missing for a complete application.

	A complete application does not mean it will be systemically approved. Successful applicants must also demonstrate that they meet the minimum licensing criteria as can be found in <a href="#">DABA</a> and the <a href="#">DABA Statement of Principles</a> .
Within ten business days	Contact with the case manager to discuss the application and any questions that might have arisen as part of the substantive review.
Within 20 business days following the first Friday after the application is received	<p>Provided the application is complete and all additional queries have been fulfilled, the application will be presented to the ALC.</p> <p>Applicants will be informed of the ALC's decision as soon as possible subsequent to the meeting, followed by a formal letter from the Authority confirming the same.</p>

**Notes:**

- Following the substantive review, applicants may be required to provide additional information that may delay the application process depending on the applicant's turnaround time and the quality of the information provided
- The ALC may decide to defer, decline or approve an application. The Committee may also choose to approve subject to conditions depending on the nature of the application
- At any time during this process, prospective applicants are invited to reach

out to the Authority should they require any additional information via [FinTech@bma.bm](mailto:FinTech@bma.bm)