

# Amendments to the regulatory framework for virtual assets in the Cayman Islands

**Briefing Summary:** On **1 April 2025**, several key updates will be made to the framework for the regulation of virtual assets in the Cayman Islands. These updates include the introduction and commencement of the VASP licencing framework for persons providing virtual asset custody services and operators of virtual asset trading platforms<sup>1</sup>.

**Service Area:** Corporate, Regulatory

**Location:** Cayman Islands

**Created Date:** 12 March 2025

## Commencement orders and Regulations

On 27 February 2025, the following commencement orders and Regulations were published:

- Virtual Asset (Service Providers) Act, 2020 (Commencement) Order, 2025;
- Virtual Asset (Service Providers) (Amendment) Act, 2024 (Commencement) Order, 2025; and
- Virtual Asset (Service Providers) (Amendment) Regulations, 2025.

The Commencement Orders commence certain provisions of the Virtual Assets (Service Providers) Act (as revised) (the "**VASP Act**") as amended by the Virtual Asset (Service Providers) (Amendment) Act, 2024 (the "**VASP Updates**").

### Key Contacts



Chris Duncan  
PARTNER,  
CAYMAN ISLANDS  
+1 345 749 2057

[EMAIL CHRIS](#)



Richard Munden  
PARTNER,  
CAYMAN ISLANDS  
+1 345 749 2026

[EMAIL RICHARD](#)



Simon Galante  
ASSOCIATE,  
CAYMAN ISLANDS  
+1 345 749 2053

[EMAIL SIMON](#)



Tom Stuart  
ASSOCIATE,  
CAYMAN ISLANDS  
+1 (345) 749 2065

[EMAIL TOM](#)

## OFFSHORE LAW SPECIALISTS

BERMUDA BRITISH VIRGIN ISLANDS CAYMAN ISLANDS GUERNSEY JERSEY

CAPE TOWN HONG KONG SAR LONDON SINGAPORE

[careyolsen.com](https://careyolsen.com)

## VASP updates – key details

### Licensing

A person or entity that provides virtual asset custody services or operates a virtual asset trading platform[2], will need to obtain a virtual asset service licence. Any entity that is already registered with the Cayman Islands Monetary Authority ("**CIMA**") under the VASP Act (a "**VASP**") that will, following the implementation of the VASP Updates, require a licence will have until **29 June 2025** (90 days from the commencement date for the VASP Updates) to submit an application for a licence.

### Licence applications

The information that will need to be provided to CIMA to apply for a virtual asset service licence is set out in the amendments to the Virtual Asset (Service Providers) Regulations and includes new requirements for custodians and operators of virtual asset trading platforms compared to the information such parties would have been required to submit for registration under the VASP Act prior to the VASP Updates.

### Director requirements

A VASP (whether registered or licenced under the VASP Act) will now also be required to have at least three directors, including at least one independent director without a vested interest in the VASP. Accordingly, existing VASPs and prospective VASPs will need to consider whether the appointment of an additional director(s) and/or independent director is required.

### Waiver

In limited cases CIMA may now grant a waiver to a person or entity, exempting them from the requirement to be registered or licenced to provide virtual asset services under the VASP Act. If a person is a supervised person under another regulatory law in the Cayman Islands (e.g. under the Securities Investment Business Act (as revised)), CIMA may grant a waiver in respect to a person or entity obtaining a registration or licence where CIMA determines that:

- the virtual asset service does not materially change the nature of the activity for which the supervised person is licensed; and
- the supervision and oversight carried out in relation to the business of the existing supervised person is sufficient to include the virtual asset service.

### Virtual asset custodians

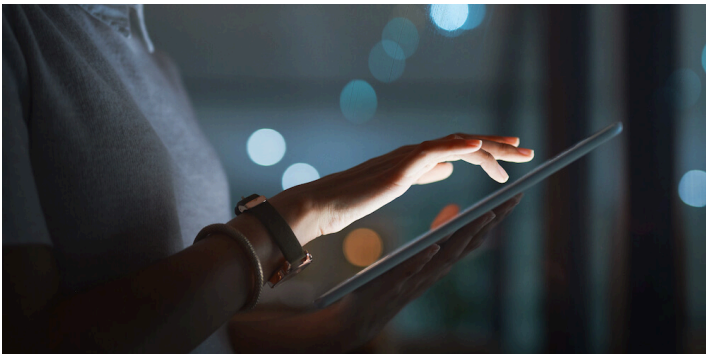
Persons or entities providing virtual asset custody services will have an expanded set of ongoing obligations, including:

- obligations which will always apply such as:
  1. fiat currency custody;
  2. record keeping;
  3. custodial arrangements with clients;
  4. IT practices; and
  5. client asset segregation requirements; and

*“Carey Olsen” in the Cayman Islands is the business name of Carey Olsen Cayman Limited, a body corporate recognised under the Legal Practitioners (Incorporated Practice) Regulations (as revised). The use of the title “Partner” is merely to denote seniority. Services are provided on the basis of our current **terms of business**.*

*CO Services Cayman Limited is regulated by the Cayman Islands Monetary Authority as the holder of a corporate services licence (No. 624643) under the Companies Management Act (as revised).*

*Please note that this briefing is intended to provide a very general overview of the matters to which it relates. It is not intended as legal advice and should not be relied upon as such. © Carey Olsen 2026*



## Subscribe

Sign up to receive our news and briefings

[SIGN UP](#)