



# **COMMONWEALTH OF THE BAHAMAS**

## **White Paper on Digital Assets**

**Communication to the Honourable Senate**

**by**

**Senator The Honourable L. Ryan Pinder Q.C.  
Attorney General and Minister of Legal Affairs**

**on**

**Monday, 3<sup>rd</sup> May, 2022**

I am pleased to rise today to communicate to Honourable Members a vision and a framework to guide digital asset policy in The Bahamas, as laid out in a White Paper our government has published. In the Blueprint For Change we put before the Bahamian people, we highlighted the importance of a well-regulated environment for cryptocurrencies and blockchain technology.

The country's initial success in attracting significant digital asset businesses is only the beginning. We have a vision to transform The Bahamas into the leading digital asset hub in the Caribbean, and a global leader in the progressive regulation of businesses in this profoundly innovative space.

### **Digital Assets**

Digital assets have grown in a few short years into an industry with a \$3 trillion market cap. The opportunities are enormous. We feel strongly that we can leverage our expertise and successes in financial services to create a digital assets hub here in The Bahamas. From the first week of this

administration, we have been determined to build a framework that would allow us not just to participate but to lead in this innovative industry. At the same time, and as with any new industry, particularly one that's changing so quickly, it's important to protect our reputation and to protect consumers, so we know that getting our policies and regulations right matters enormously to setting ourselves up for success and to protect the jurisdiction. I want to be clear: our policies are designed to encourage growth while keeping bad actors out. In addition, as we developed the White Paper, we were very focused on the policy goal of making sure that as this industry thrives in The Bahamas, opportunities for Bahamians to participate both as consumers, investors, and professionally can experience the economic growth as well.

We didn't want The Bahamas on the outside of this revolution looking in – we know we can make major contributions to this industry and we believe we can become a digital assets hub and leader in the international financial technology solutions industry. We consulted extensively with

regulators and financial and legal experts, and we believe our White Paper positions us to become a leader.

## **Digital Assets White Paper**

The White Paper lists the following policy objectives:

- To explore new opportunities in a rapidly and continuously evolving digital asset landscape, including developments in decentralised finance (DeFi), non-fungible tokens (NFTs), stable coins and asset-referenced tokens;
- To improve the attractiveness of The Bahamas as a well-regulated jurisdiction where well-run digital asset businesses, of any size, can operate, grow, and prosper;
- Where necessary, to clarify and expand the scope of the current legislative framework generally, and the DARE Act, in particular, to continue to safely regulate digital assets and digital asset businesses;

- To encourage innovation in the Fintech space and identify emerging technologies that would help maintain The Bahamas' competitive advantage;
- To explore linkages between The Bahamas' existing financial services toolkit (i.e. corporate and fiduciary services) and to facilitate continued innovation in the international financial services sector;
- To develop the skills and expertise necessary to fill jobs created in the Bahamian digital asset sector;
- To work with the Central Bank of The Bahamas to ensure that policies are adjusted and clarified to enable Bahamians to access digital assets in Bahamian Dollars (B\$);
- To build capacity and expand the resources of the SCB in order to support and enhance its role as the pre-eminent digital asset regulator, and to enable it to become a global centre of excellence in the pragmatic, risk-adjusted regulation of digital assets and digital asset businesses; and

- To provide sustainable funding for our digital asset policies, initiatives, and programmes.

Taken together, fulfilment of these objectives will encourage the growth of an exciting new industry while protecting consumers, businesses and investors. They will also offer safeguards against systemic risks which may emerge. They will also help to promote and defend the competitiveness of The Bahamas and offer new opportunities for Bahamians and international investors alike. We wish for our country and our people to be seen as innovators, to stand among the first and best as a great place to do business.

We have ensured that as part of our policy paper, which sets out the framework and goals for positioning The Bahamas and growing the industry, that we have focused on absolute measures to ensure Bahamian participation. Fundamental to this is the work that is already underway

with the University of The Bahamas and the Securities Commission of The Bahamas to development degree and certificate programs in digital assets. One must understand this fast-moving industry to be able to professionally thrive in it, and we are committed to ensuring those opportunities exist for Bahamians.

### **Digital Advisory Panel**

Our White Paper also envisions the establishment of a Digital Advisory Panel, to keep digital asset development, emerging trends and associated risks, constantly under review. The Panel will be charged with keeping the Government, the ‘Digital Asset Policy Committee’ and appropriate regulators, fully updated with relevant information.

They will be expected to recommend any necessary changes to policy, the DARE Act and other legislation, to ensure that The Bahamas maintains its place as a well-regulated digital asset jurisdiction, while at the same

time continuing to remain relevant and attractive for digital asset businesses to operate from, to grow and to prosper.

Today I announce the composition of this important advisory committee for the development of the digital asset policy and industry of The Bahamas. The Digital Advisory Panel is comprised of private sector expertise in key areas of the industry. The Digital Advisory Panel comprises the following persons:

- Attorney General
- Gowon N.G. Bowe
- Aliya Allen
- Brian Jones
- Delphino Cassar
- Emmanuel O. Komolafe
- Rhonda Eldridge
- Dellarese Taylor Russell



- Kelly Banks

What we propose is truly innovative. We are determined to set The Bahamas on a path, fully fit for the 21st century and beyond, that truly delivers on that brighter future for all.

I table the Government's Policy White Paper entitled "The Future of Digital Assets in The Bahamas"