ANNOUNCEMENT

Authorization to operate an Electronic Money Institution, a Payment Institution or a Cryptocurrency exchange/-ATM.

After consulting the existing laws and regulations, we must inform that the Bank does not have the powers or authority to exercise supervision or oversight over the abovementioned institutions, with the exception of Money Transfer Companies [1], and therefore cannot issue an authorization or dispensation for your institution. Nor can the Bank prohibit the conduct of the abovementioned businesses.

In the meantime the Bank is drafting a Payment System Act which once approved by the respective parliaments, will provide the legal basis for authorizations and regulations of the abovementioned institutions.

Notwithstanding, while awaiting the Payment System Act, the Bank urges starting businesses to ensure they implement the following minimum actions for conducting safe and sound payment services:

- Separate the legal entity for conducting payment service from other operations;
- Have robust governance arrangements with respect to risk assessments, internal controls, accounting and reporting procedures;
- Safeguarding customers funds by not comingling them with operational accounts and by insulating them against claims from other creditors;
- Ensure the integrity of information technology systems;
- Create sound business-, contingency- and exit plans;
- Adhere to laws for prevention of money laundering (AML), terrorist financing as well as KYC, Customer Due Diligence;
- Document procedures for consumer information and privacy.

Should you have any further questions, feel free to contact Ms. J. Arias, Head of Payment Oversight at j.arias@centralbank.cw or 434-5711.

Willemstad, May 7, 2018
CENTRALE BANK VAN CURACAO EN SINT MAARTEN

[1] Money Transfer Companies are subject to the "Landsverordening toezicht geldtransactiekantoren" PB 2014, no. 86 or AB 2018, no. 6