

Regulatory Oversight Committee Advisory on Fintech Operations

The Eastern Caribbean Currency Union (ECCU) Regulatory Oversight Committee (ROC) held its 20th Meeting on 3rd July 2018 in Basseterre, St. Kitts. The ROC comprises Regulators from each ECCU member territory, the Eastern Caribbean Central Bank (ECCB) and the Eastern Caribbean Securities Regulatory Commission (ECSRC). At this meeting, Regulators discussed several matters relating to Fintech development, innovation and supervision within the ECCU. It was agreed for a common approach to be taken by all Regulators on all matters relating to Fintech Operations and crypto-currencies.

While Regulators agreed in principle to support innovation and emerging trends in financial technology, it was noted that the existing regulatory frameworks in the ECCU do not provide the supervisory and regulatory structure required for these matters. As a result, the ROC has agreed that all applications submitted to regulatory authorities in each member jurisdiction would be put on hold at this time. The ROC is committed to allocating the resources to undertake the necessary research to prepare draft legislation and regulations for the licensing of Fintech Operations and crypto-currencies. The first step in this very important process is the establishment of a Fintech Working Group to liaise with the ECCB Working Group on Fintech matters. The focus of this Working Group will be:

- (i) to monitor developments in Fintech;
- (ii) to identify the risks to the ECCU's financial systems;
- (iii) to propose the regulatory treatment for the risks identified;
- (iv) to develop a framework for regulation of Fintech; and
- (v) to propose any amendments to existing legislation in its member countries to allow for the approval of Fintech operations.

The ROC registers its support to the ECCB for the Advisory issued on 4 June 2018 which documented the ECCB's support for financial innovation and advised citizens in the currency union to be cautious when getting involved with Fintech initiatives. The full text of this Advisory

can be found at <https://www.eccb-centralbank.org/news/view/eccb-advisory-on-fintech-operations-in-the-eccu> .

The ROC reiterates the call for citizens to use their best judgment and caution before agreeing to any financial relationship involving Fintech, crypto-currencies, digital wallets and other affiliated initiatives, due to the likelihood of users/investors incurring financial losses. Citizens should also bear in mind that redress may be improbable in that regard.

The ROC remains committed to working with the ECCB on this matter and will ensure that regular updates are provided to the General Public.

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