

Virtual Assets (VA) and Virtual Assets Service Provider (VASP) Act Fact Sheet

The **VA/VASP Bill** was passed on December 9, 2025, and will be operationalised once the Act receives presidential assent. Here are some key facts to know about this latest piece of legislation and how it will impact us at the Trinidad and Tobago Securities and Exchange Commission.

What is the VA/VASP Act?

The **VA/VASP Act** will temporarily prohibit the conduct of virtual asset activities as a business in or from within Trinidad and Tobago **until December 31, 2026**.

During the period of prohibition, the Commission will establish and administer a Regulatory Sandbox into which VASPs operating prior to commencement of the VA/VASP Act, may be authorised by the Commission to conduct certain virtual asset activities under conditions to be set out by the Commission. The Act does not permit holding/custody/retention of virtual assets on behalf of another person as a virtual asset activity.

Which virtual asset activities are temporarily prohibited?

The prohibited virtual asset activities include the conduct of any one or more of the following activities, for or on behalf of another person:

- (a) the exchange between virtual assets and fiat currencies;
- (b) the exchange between one or more forms of virtual assets;
- (c) the transfer of virtual assets;
- (d) the safekeeping or administration of virtual assets or instruments enabling control over virtual assets;
- (e) the participation in and provision of financial services related to an offer of an issuer or sale of a virtual asset; and
- (f) such other activity as may be prescribed by the Commission.

Why does the VA/VASP Act prohibit the operations of VASPs?

This temporary prohibition seeks to prevent the operation of illegal scams, money-laundering and terrorist-financing involving virtual asset activities and aid development of a safe environment for use of virtual assets.

Who will be affected by the temporary prohibition?

The temporary prohibition will affect persons currently engaged in virtual asset activities as a business or on behalf of other persons. The temporary prohibition **does not** apply to use of virtual assets by individuals in their purchase of goods and services but only to the conduct of virtual asset activities on behalf of another person or as a business.

What is the Regulatory Sandbox, and why is it being introduced?

The Regulatory Sandbox presents an opportunity to allow existing local pioneers in innovative new products to operate in an environment that includes safeguards for citizens of Trinidad and Tobago.

It will:

- create new business opportunities;
- improve citizens' access to innovative financial products and services;
- allow these benefits to unfold within a safe environment for Trinidad and Tobago's financial system and consumers by assisting the Commission to develop an effective and appropriate supervisory framework for the sector; and
- provide Trinidad and Tobago with the best opportunity to meet its international obligations as outlined by the FATF Recommendations and Immediate Outcomes.

VASPs operating at the time of enactment of the VA/VASP Act will have thirty (30) days within which to apply to participate in the Regulatory Sandbox. Should they be unable to meet the criteria for participation, a VASP will have until the end of the three (3) month moratorium period to cease operations and notify the Commission that they have so ceased.

What are the criteria for participation in the Regulatory Sandbox?

The main criteria for participation in the Regulatory Sandbox requires that a VASP:

- be a locally **registered corporate entity** with a physical presence and data server in Trinidad and Tobago operating before enactment of the VA/VASP Act;
- submits notification to the Commission within thirty days of commencement of the VA/VASP Act, advising of its operation, and complete an application for entry into the Regulatory Sandbox with requisite submissions.
- not be currently subject to any regulatory or criminal enforcement proceedings for fraud, dishonesty or other financial impropriety, cybercrime and laws pertaining to AML/CFT/CPF in Trinidad and Tobago or a foreign jurisdiction; and
- meet such additional requirements as may be prescribed by the Commission in Regulations which are to be issued.

When will application forms for entry be available?

Application forms with instructions, for entry into the Regulatory Sandbox will be available on the Commission's website.

What if a person continues to operate a VASP business without applying for entry?

A person who continues to operate as a VASP after the end of the moratorium period, without authorisation by the Commission, will be liable on summary conviction to a fine of five million dollars and to imprisonment for five years, and in the case of a continuing offence, to a fine of five hundred thousand dollars for every day on which

the offence continues. A senior officer of a company convicted of the offence is liable to similar penalties.

The Commission may also apply additional legal remedies stipulated in the Act to give effect to the prohibition.

Which division will be responsible for receiving applications in the Sandbox?

During the period of the prohibition and operation of the Regulatory Sandbox, the AML Unit will be responsible for reviewing applications and recommending issuance of a Certificate of Acceptance to qualifying VASPs. The team will also be responsible, where necessary, for conducting inspections of the records in the possession of the Sandbox Participant.