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PRESS RELEASE

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BMA PUBLISHES FOR COMMENT A CODE OF PRACTICE FOR DIGITAL ASSET CUSTODY

HAMILTON, BERMUDA – The Bermuda Monetary Authority (BMA or Authority) has released a draft Code of Practice for Digital Asset Custody (the Code) for consultation that prescribes measures to ensure a high level of care when safeguarding client’s assets.

The Digital Asset Business Act 2018 (the Act) makes provision for Digital Asset Business licences and gives power to the Authority to issue Codes of Practice to ensure the business is conducted in a prudent manner. The Code published today seeks to protect the public and to clarify the Authority’s expectations in terms of the custody of digital assets. The Code is a detailed document covering both technology and business controls in specific areas like hot and cold storage, key generation, transaction handling, incident reporting and more.

Moad Fahmi, Senior Advisor, (Supervision) Financial Technology at the Authority said, “The Code complements the extensive body of rules for Digital Asset Businesses published by the BMA. We view custody as an important part of a healthy digital asset ecosystem – one that will encourage quality players to contribute positively to our financial system. We remind stakeholders that the framework was built with the aim of making sure that the core objectives of financial regulation are respected, that is: protecting consumers, ensuring stability of our institutions and maintaining integrity and confidence in financial markets – with a focus on maintaining the highest standards of AML/ATF.”

Craig Swan, Managing Director, Supervision (Insurance) at the Authority further explained: “This technical publication highlights the quality of the work done by our team at the BMA to build on our cybersecurity acumen as we move to become regulatory leaders in digital assets. It is aligned with the BMA’s 2018 Business Plan objectives of being proactive, comprehensive and forward-looking.”

Comments on the draft Code should be sent to the Authority, addressed to innovate@bma.bm, no later than 18 January 2019.

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