The Virgin Islands Consortium

V.I. Banking Board Denies Monetary Transmitter License Sought by Binance, the Largest Cryptocurrency Firm in the World

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The Virgin Islands Banking Board during a Thursday meeting denied monetary transmitter license applications of five cryptocurrency firms that sought to do business in the U.S. Virgin Islands. Among the applicants was BAM Trading Services, Inc., widely known as Binance U.S. — the largest cryptocurrency exchange in the world in terms of daily trading volume.

Monetary transmitter licenses are issued to firms seeking to sell or issue methods of payment, or send and receive money by wire transfer.

Lieutenant Governor Tregenza Roach, who serves as chairman of the banking board, said board members voted to deny those applications because the companies primarily engage in cryptocurrency transactions, which are neither licensed nor regulated in the USVI.

“To the extent that an applicant seeks a license as a money transmitter to provide services that facilitate virtual currency, the Banking Board does not issue licenses for such activities,” Mr. Roach said.

The denied applicants include: MoonPay USA, LLC; NYDIG Trust Company, LLC and its affiliate NYDIG Execution, LLC; Uphold HQ, Inc.; BAM Trading Services, Inc.; and Foris DAX, Inc.

The board also considered a request for a permit from Spyglass Capital, LLC which seeks to become an International Financial Services entity in the territory. The board gave conditional approval because SpyGlass as of Thursday was not registered with the Financial Crimes Enforcement Network (FinCEN).

Board members also voted unanimously to uphold its Resolution made effective on June 22, 2021, which allows non-bank ATM providers in the territory to charge up to $4 per terminal transaction for customers of non-USVI Financial Institutions. The resolution provides that residents who use local banks cannot be charged more than $3.50 per transaction at any non-bank terminal, the Office of the lieutenant governor said.

Board members Bosede Bruce, Rosalie Javois, and Richard Grant were all present to take action on the agenda matters.