

**CAYMAN ISLANDS**



**STOCK EXCHANGE COMPANY  
(AMENDMENT) BILL, 2020**

Supplement No. 2 published with Legislation Gazette No. 31 dated 28th April, 2020.

**A BILL FOR A LAW TO AMEND THE STOCK EXCHANGE COMPANY LAW (2014 REVISION) TO INCLUDE DEFINITIONS OF “FIAT CURRENCY” AND “VIRTUAL ASSET”; TO PROVIDE FOR THE CAYMAN ISLANDS STOCK EXCHANGE TO NOT HAVE THE SOLE AND EXCLUSIVE RIGHT TO TRADE IN VIRTUAL ASSETS; AND FOR INCIDENTAL AND CONNECTED PURPOSES**

## PUBLISHING DETAILS

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**Sponsoring Ministry/Portfolio:** Ministry of Financial Services and Home Affairs  
(FSHA)



**Memorandum of  
OBJECTS AND REASONS**

This Bill amends the Stock Exchange Company Law (2014 Revision) (the “principal Law”) to include definitions of “fiat currency” and “virtual asset”, to provide for the Cayman Islands Stock Exchange to not have the sole and exclusive right to trade in virtual assets, and for incidental and connected purposes.

Clause 1 provides the short title of the legislation and contains the commencement provision.

Clause 2 amends section 2 of the principal Law by inserting definitions of “fiat currency” and “virtual asset”.

Clause 3 inserts new proposed section 4A in the principal Law. The proposed new section 4A provides that notwithstanding section 4(a)(i) which provides for the Exchange to have the sole and exclusive right to operate one or more securities markets in the Cayman Islands, the Exchange shall not have the sole and exclusive right to operate the securities markets in the Islands which trade in securities which are virtual assets.



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ENACTED by the Legislature of the Cayman Islands.

## Short title and commencement

1. (1) This Law may be cited as the Stock Exchange Company (Amendment) Law, 2020.
- (2) This Law shall come into force on such date as may be appointed by Order made by the Cabinet and different dates may be appointed for different provisions of this Law and in relation to different matters.

## Amendment of section 2 of the Stock Exchange Company Law (2014 Revision) - definitions

2. The *Stock Exchange Company Law (2014 Revision)* is amended in section 2 as follows —
  - (a) by deleting the word “and” appearing at the end of the definition of “securities market”;

- (b) in the definition of “unit trust”, by deleting the words “other jurisdiction.” and substituting the words “other jurisdiction; and”; and
- (c) by inserting, in the appropriate alphabetical sequence, the following definitions —
- “**fiat currency**” means currency that is issued by the relevant body in a country or by a government and that is designated as legal tender in its country of issuance through, among other things, government decree or law; and
- “**virtual asset**” means a digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes but does not include a digital representation of fiat currencies.”.

**Insertion of section 4A in the Stock Exchange Company Law (2014 Revision)  
- non application of section 4(a)(i)**

3. The *Stock Exchange Company Law (2014 Revision)* is amended by inserting after section 4 the following section —

**“Non application of section 4(a)(i)**

- 4A.** Notwithstanding section 4(a)(i), the Exchange shall not have the sole and exclusive right to operate the securities markets in the Islands which trade in securities which are virtual assets.”.

**Passed by the Legislative Assembly the                      day of                      , 2020.**

*Speaker*

*Clerk of the Legislative Assembly*

