

CAYMAN ISLANDS



VIRTUAL ASSET (SERVICE PROVIDERS) (AMENDMENT) BILL, 2026

Supplement No. 3 published with Legislation Gazette No. 6 dated 4th February, 2026.

A BILL FOR AN ACT TO AMEND THE VIRTUAL ASSET (SERVICE PROVIDERS) ACT (2024 REVISION) TO AMEND THE INTERPRETATION SECTION TO PROVIDE DEFINITIONS FOR, AMONG OTHER THINGS, “TOKENISED MUTUAL FUNDS” AND TOKENISED PRIVATE FUNDS; TO REPEAL THE VIRTUAL ASSET (SERVICES PROVIDERS) (AMENDMENT) ACT, 2025; AND FOR INCIDENTAL AND CONNECTED PURPOSES

PUBLISHING DETAILS

Sponsoring Ministry/Portfolio: Ministry of Financial Services and Commerce



Memorandum of OBJECTS AND REASONS

The Bill amends the Virtual Asset (Service Providers) Act (2024 Revision) (“the principal Act”) to amend definitions and to provide new definitions relating to tokenised mutual funds and tokenised private funds. These amendments make the specified definitions in the legislation consistent with the definitions in the Mutual Funds Act (2025 Revision) and the Private Funds Act (2025 Revision). The amendments seek to make it clear that the issuance, creation, sale, transfer or other disposition of tokenised equity or investment interests by regulated mutual funds and private investment funds is not the issuance of virtual assets under the principal Act. The Bill also repeals the Virtual Asset (Service Providers) (Amendment) Act, 2025.

Clause 1 provides the short title of the legislation.

Clause 2 amends section 2 of the principal Act to amend the definition of the words “issuance of virtual assets” and to insert new definitions in respect of the words “digital equity token”, “digital investment token”, “tokenised mutual fund” and “tokenised private fund”.

Clause 3 provides for the repeal of the Virtual Asset (Service Providers) (Amendment) Act, 2025.



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ENACTED by the Legislature of the Cayman Islands.

Short title

1. This Act may be cited as the Virtual Asset (Service Providers) (Amendment) Act, 2026.

Amendment of section 2 of the Virtual Asset (Service Providers) Act (2024 Revision) - interpretation

2. The *Virtual Asset (Service Providers) Act (2024 Revision)* is amended in section 2(1) as follows —
 - (a) by deleting the definition of “**issuance of virtual assets**” or “**virtual asset issuance**” and substituting the following definition —



“**issuance of virtual assets**” or “**virtual asset issuance**” means the sale of newly created virtual assets to the public in or from within the Islands in exchange for fiat currency, other virtual assets or other consideration, but does not include —

- (a) the sale of virtual service tokens; or
 - (b) the issuance of —
 - (i) a digital equity token by a tokenised mutual fund in accordance with the *Mutual Funds Act (2025 Revision)*; or
 - (ii) a digital investment token by a tokenised private fund in accordance with the *Private Funds Act (2025 Revision)*;
- (b) by inserting, in the appropriate alphabetical sequence, the following definitions —

“**digital equity token**” has the same meaning as in section 2 of the *Mutual Funds Act (2025 Revision)*;

“**digital investment token**” has the same meaning as in section 2 of the *Private Funds Act (2025 Revision)*;

“**tokenised mutual fund**” has the same meaning as in section 2 of the *Mutual Funds Act (2025 Revision)*; and

“**tokenised private fund**” has the same meaning as in section 2 of the *Private Funds Act (2025 Revision)*”.



Repeal of the Virtual Asset (Service Providers) (Amendment) Act, 2025

3. The *Virtual Asset (Service Providers) (Amendment) Act, 2025* is repealed.

Passed by the Parliament the day of , 2026.

Speaker

Clerk of the Parliament

