

Article Information

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Blockchain Bites: Crypto Bahamas: Insights from the week

Michael Bacina and Jordan Markezic of the Piper Alderman Blockchain Group bring you the latest legal, regulatory and project updates in Blockchain and Digital Law.

Crypto Bahamas: Insights from the week

The [Crypto Bahamas conference](#) recently heard from industry and thought leaders alike, former politicians and a star quarterback.

Speakers at the Summit shared insights on pressing issues in the ongoing growth of crypto including financial services regulation, tracing of transactions in crypto and of course NFTs.

Below are a few quotes from some of the amazing speaker line up:

On the topic of the need for regulation to be flexible, [Chloe White](#) of Genesis Block said:

like many I didn't see the NFT boom coming... a trap is regulators making rules for [how] things are now, which will [quickly] be[come] outdated... regulators cannot eliminate harm in every situation, there needs to be an open mindedness and flexibility and a tolerance for some risk.

Executive Director of the [Securities Commission of the Bahamas](#), [Christina R. Rolle](#), also took the opportunity to comment on the requirement for flexible legislation, focusing on the domestic experience of the Bahamas:

The regulatory journey in the Bahamas was from 2017, [when there was] interest from the market looking for a regulatory home... one of the benefits of being a smaller jurisdiction is the ability to bring policy makers along so they can understand what the market wants... We learned enough about crypto to help us apply our regulation sensibly.

Speaking on the need for regulation to be flexible as well as balanced in serving the interests of consumers, [Basil Al Askari](#) of [MidChains](#) said:

There's a huge rift arising from lack of uniform regulations in areas, I've had bankers come witness wet-ink signatures in my office... regulations need to avoid being over burdensome and help strike a balance to keep consumers safe and helping innovation move forward.

[Thaigo Cesar](#) took the opportunity to talk upon the misconception that cryptocurrencies are primarily used for financial crime:

In 2015 one congressman tried to ban crypto in Brazil because of a worry about Ponzi schemes... The conversation has shifted now to be more sensible... capital controls remain a key l area of interest. The Senate has passed a crypto licence bill, it's waiting to be signed by the President.

On some of the exciting opportunities that crypto presents to a system of payments, [Constance Wang](#) – the Chief Operating Officer at [FTX](#) said:

Travelling the world, it's interesting to see the difference in developing vs developed countries, I went to Senegal in February, I went to one of the oldest and most prestigious art galleries. The credit card terminal was broken, but not just there, all over town, the owner said they only take cash or mobile money, he pulled out his phone and I transferred money using a QR code. It's exactly how Blockchain payments works.

[P. Jillian B.](#) of [OKX](#) echoed Wang's sentiments, drawing upon the example of the Bahamas with respect to Know Your Customer (**KYC**) requirements:

A useful regulatory example in Bahamas is payment service providers being able to on-board people with no-KYC for payments up to \$500. It's a simple thing and helps those who can't pass KYC.

Former US Presidential candidate, [Andrew Yang](#), moderated by [Kritsin Smith](#) of the [Blockchain Association](#), made the following comments on financial inclusion:

When you speak to government about crypto and financial inclusion they say 'show me'. It's important to have real world examples to show an implementation... The number one question I get when I'm walking down the street in New York is 'Andrew where's my \$1,000!' – I'm working on it!

Speaking on the opportunities of crypto becoming a potential sector of the S&P in the coming years while drawing upon the Canada example, [Kevin O'Leary](#) noted:

The key point for me is when Canada let a Bitcoin backed ETF, not a derivative backed ETF but with underlying Bitcoin. That should settle the licensing issue stateside... I personally believe crypto will become the "12th sector" of the S&P in the next ten years but that can't happen until someone regulates it.

O'Leary went further to describe a serious banking problem which can't arise in the crypto world:

I had a transaction [closing] and the bank lost [the closing payment of] millions of dollars for 48 hours, jeopardising a deal and sending me and my team out of our minds ... and this happens all the time ... I called up a director of the bank and said 'do you know about USDC?'. If the banks don't get involved in stablecoins they will lose business...

On the possibility of a Bitcoin ETF being made available in the US in the near future, [Anthony Scaramucci](#), former White House Communications Director and [SkyBridge Capital](#) founder noted:

The biggest change will be a Bitcoin ETF being available in the US, everyone is forced into the pool at the same time....Fidelity is going to do what they did in the 1980s to shares and that's going to force more people into the market.

On the opportunity to provide further education to potential consumers who seek to adopt crypto, but do not currently have the knowledge to do so, [Jeremy Allaire](#) of [Circle](#) noted:

For most investors a digital commodity is a really hard concept to grasp, there isn't a lot of understanding of Bitcoin....The definitions are a real issue because there's no statute: it's a huge gating issue.

In closing, we repeat the wise words of the Prime Minister of the Bahamas, who cautioned those working hard for innovation and sensible regulation which protects participants and supports innovation:

