GOVERNMENT OF THE VIRGIN ISLANDS

STATEMENT

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Opening Remarks by Honourable Lorna Smith, Minister with responsibility for Financial Services, Trade and Economic Development at Fintech on the Seas 2026

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Good Morning,

I would like to echo the remarks from George and Elise. Our event last year was outstanding, and the 2026 version starting today promises to be no different. My thanks go to BVI Finance and especially to CEO Elise Donovan. It has been no easy feat this year - and Elise knows what I mean! So, thank you to the staff of BVI Finance and to all the planning team who have worked so hard to create this excellent programme.

I also want to thank our supporters especially technology leaders, DLT Solutions, our headline sponsor. Without our corporate sponsors, Fintech on the Seas would quite simply not be possible. It is becoming firmly established as 'the' annual event to attend - and of course to sponsor, so please speak to Elise if you are interested in supporting us next year!

My thanks, also go to the Financial Services Commission, our regulator. The BVI Government has long championed a regulatory regime that is robust, yet flexible enough to foster innovation. Regulation and supervision will be the focus for this first day reflecting the importance of great the supervisor framework and regulators, so it is great that in addition to our own regulator, representatives from the US, Bermuda and the Bahamas are here. I look forward to your contributions today and over the next few days.

I am of course pleased to once again welcome so many high-level regulators, founders, fund managers, and tech pioneers to the British Virgin Islands. A special welcome to you visiting for the first time. We are delighted that you have joined us and I hope that you find the discussions fruitful and valuable.

Today I greet you from the heart of Oil Nut Bay, one of our premier resorts. We will be on Necker for the remainder of the event. I thank them both for their hospitality and I know that you will all be able to enjoy much of what the British Virgin Islands has to offer over the next few days.

Now - let’s dive in!

Last year I said that the first Fintech on the Seas represented a step change in our collective ambition. Talk about an understatement!

We have all witnessed the rapid growth of fintech over the last five years. Today, I would now go as far as to say that over the last 12 months Fintech has become the beating heart of the global financial services system. Indeed, we can hardly call it a separate sector anymore. Payment systems, digital banking, wealth tech, InsurTech, Lending, crypto and block chain are all part of our daily lives, overseen of course by regulators who are matching these developments through the adoption of AI and automation methods to ensure business adheres to financial standards and regulations.

Today Fintech is the default approach for many institutions and individual consumers.

There is clear evidence of this growing confidence in Fintech. The Plaid 2025 FinTech Effect survey published late last year found that 61 per cent of US

consumers are now comfortable with AI-integrated finance, while 75 per cent feel confident about their money, thanks to fintech. What is perhaps most remarkable is the trust that fintech systems have attracted. 88 per cent of fintech users say that fintech has helped them in a concrete way while 70 percent feel comfortable sharing their data with the tools they use.

In a world where trust in so many different institutions is falling, these are astonishing figures.

Yet, even as Fintech becomes embedded in the financial system, we are entering a new phase.

One of the most significant developments is the emergence of stablecoins and tokenised assets as part of the financial infrastructure of the future. What began as a niche innovation is increasingly being viewed as a means of improving cross border payment, settlements, treasury management and market efficiency. At the same time, tokenisation is creating new opportunities to connect capital with real world assets, opening markets and expanding access in ways that were difficult to imagine only a few years ago.

So, the conversation has long ceased to be about whether digital finance will succeed. That question has largely been answered. The focus is now on how digital finance will scale across borders and markets and how, given this globalisation of fintech, the levels of trust that Plaid discovered, can be maintained.

Of course, for us in the BVI, trust is a byword for our financial services industry. Trust in our systems and in our professional services ecosystem, but most of all trust in our regulatory regime.

It will not surprise any of you to know that we in the BVI welcome the growing regulatory clarity we see across major financial centres in relation to fintech. Jurisdictions around the world are developing frameworks that seek to balance innovation with integrity, recognising that confidence and trust are essential to long term growth. While approaches may differ, there is an increasing convergence around the principles of transparency, consumer protection, financial crime prevention and responsible innovation.

This presents a significant opportunity for the BVI. We have built a regulatory framework that is internationally respected, commercially relevant, adaptable to emerging technologies and yes, trusted. Our ambition is therefore not simply to participate in the next chapter of digital finance, but to help shape it.

We believe our legislative and regulatory approaches achieve this. They combine effective oversight, collaboration with regional and international partners, extensive industry consultation and active engagement in global compliance forums.

The "VASP Act", which came into force in 2023, is the cornerstone of the BVI offering. By aligning with FAT standards and supporting innovation, this innovative legislation has contributed to significant growth in new incorporations and fintech-related investment business, so much so that the first quarter of this year was our strongest quarter of growth since 2022.

So how does it work?

The VASP framework allows decentralised entities to operate within a well-regulated environment meeting AML, KYC and cybersecurity requirements without undermining their technical architecture, making it suitable for emerging structures such as cross border payment platforms, tokenised investment vehicles and DAOs. We are therefore well placed to support companies that build in one location and scale internationally.

It is good to see that major industry players appear to share this view. One well known example is of course BlackRock's tokenised fund, BUIDL, which utilises BVI structures. I am pleased to see that several other digital asset platforms, including both early-stage ventures and established international firms, have also adopted BVI structures for similar reasons.

Indeed, we are very excited at the prospect of being able to announce yet another very significant industry player joining that group in this territory Cinethe coming days. You see we have aligned with what global firms require, and our business is thriving as a result.

But we are aiming still higher as we utilise fintech systems not just to grow our financial services industry but to secure resilience and growth across our economy.

Of course, the human element of the equation is critical to this. Through tailored educational initiatives, we are building a pipeline of talent equipped to guide and grow specialist digital asset businesses. BVI Islanders have long been renowned for their entrepreneurship and in our young people we have a group whose entrepreneurial ambition is boundless

To support them on Thursday of this week BVI Finance in collaboration with the H. Lavity Stoutt Community College will present BVI Next Wave Digital Assets Day'. The objective of the day is to immerse our community in opportunities in the virtual assets space. From our students who have graduated from the Robert Mathavious Institute to those who achieve complementary skills to support our main industries of financial services and tourism, we want them all to have one thing in common and that is to embrace the digital economy. We in the Government will do all that we can to ensure that it can be utilised to the benefit of their own careers and the BVI more broadly.

We meet at a truly exciting time for the industry. I recently led the BVI delegation to Consensus 26 by Coindesk in Miami, one of the leading global gatherings for finance, crypto and technology. More than 15,000 people were at the Convention Centre - all interested in discovering how technology, including Al, will change their businesses and their lives. The innovation on show was breath taking, and it is our intention to be at the heart of these developments.

I am so proud of the journey we have been on to date. We are now focused on ensuring that we remain a trusted jurisdiction for the next era of financial services and I am confident that our progress will continue. I look forward to our discussions over the coming days - and beyond. Fintech is the next era of financial services. It will shape the future of finance. All of us have a duty to ensure that it does so responsibly and together I know we will.

Enjoy the next three days!

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