**BANK OF JAMAICA CAUTIONS USERS OF VIRTUAL CURRENCIES**

Bank of Jamaica is aware of reports of investments in virtual currencies and the use of these types of instruments for the settlement of economic transactions. In light of these reports, the Bank is advising the public to exercise caution in the use of virtual currencies (cryptocurrencies) given the associated risks and the absence of appropriate governance and consumer protection arrangements.

The Bank is committed to the process of facilitating the enhanced use of technology in the provision of financial services, while preserving financial and payment system stability. In this regard, although virtual currencies with blockchain as the underlying technology may have benefits, such as the potential to promote financial inclusion, the following risks need to be taken into consideration:

1. Virtual currencies are not legal tender in Jamaica.
2. Bank of Jamaica neither issues nor backs virtual currencies.
3. Virtual currencies are not foreign currencies as there is no monetary authority that issues or backs them.
4. Bank of Jamaica does not regulate or supervise virtual currencies.
5. Bank of Jamaica has not authorized any entity to operate a virtual currency platform.
6. Transactions in virtual currencies, such as bitcoin, are susceptible to abuse by criminals and may facilitate money laundering and the financing of terrorism.

In light of the above, Bank of Jamaica, while committed to supporting financial innovation, will continue to closely monitor the evolution and potential implications of virtual currencies. Regulatory strategies will be pursued where appropriate and the requisite advisories will be issued if deemed necessary.

Please be advised that there are no legislation arrangements under the purview of Bank of Jamaica that provide protection for loss arising from the use of virtual currencies.

***Bank of Jamaica***

***02 February 2018***