



Sterling Legal

Legal Opinion No. 10-01 / 028 (25)

To whom it may concern,

10th January, 2025

This legal opinion (hereinafter referred to as the "Conclusion") has been prepared for the payment systems providers, banks, and other jurisdictions, as well as for any person interested in the following information, at the request of VCP Markets Ltd. (reg.nr: 2025-00028), incorporated in Saint Lucia (hereinafter referred to as the "Broker"). We have been instructed to advise on the possibility of the Broker carrying on services as a Virtual Assets Business (hereinafter referred to as the "THE BUSINESS") in accordance with the laws of Saint Lucia.

During the preparation of this Opinion, we have conducted a comprehensive analysis of the information and documents provided by the Broker, their working mechanism, as well as the current legislation applicable in Saint Lucia. We have prepared answers to the following questions set by the Broker:

I. INFORMATION AND DOCUMENTS PROVIDED BY THE CLIENT FOR THE PURPOSE OF LEGAL ANALYSIS

In accordance with the provided information, the Broker is a company registered in Saint Lucia with the following registered address: Ground Floor, The Sotheby Building, Rodney Bay, Gros-Islet, Saint Lucia.

At the present time, the Broker intends to carry on services related to a Virtual Assets Business through the implementation of a trading platform and tools, accessible through a website or through download, for trading in cryptocurrencies, CFDs/Forex, and other financial instruments.

The Broker follows international standards of KYC and AML policies, risk disclosure, and these policies are accessible on the Broker website.

Access to the Broker's Website and services is public; therefore, any individuals or legal entities can use the Broker's services (except for stateless persons; individuals under the age of 18; as well as citizens and legal entities from countries in which the Broker does not provide Services, as well as individuals or entities from a sanctioned country). However, in order to use the broker's services, the person should reach the age of majority and have full legal capacity, which such person declares by accepting the Client Agreement.



II. THE LAW

1. How is the sphere of Financial Services regulated on the territory of Saint Lucia?

1.1. Organizational and legal form of the Broker's company

The Broker's company is incorporated in accordance with the International Business Company's Act Cap 12.14 (IBC Act) with the organizational and legal form - a limited liability company as international business companies (hereinafter referred to as "IBC"). The relevant law is contained in the Registered Agents and Trustee's Licensing Act Cap 12.12 (RATLA). IBCs are entitled to engage in any commercial activity, as long as it is legal, without additional approval / licensing from the Financial Services Regulatory Authority (FSRA).

1.2. Restrictions for IBC

In accordance with section 12 (1) IBC ACT 12.14, IBC cannot engage in insurance or banking activities, as well as carry out the activities of a mutual investment fund. IBCs cannot raise money from residents of Saint Lucia and offer to publicly sell shares in the company. The law outlines the prohibited business activities both in the International Business Companies Act and within the Registered Agent and Trustees Licensing act (Section 12 (1) (g)). From the mentioned legislation, we can find out what businesses are prohibited and which are permitted under the law applicable in St. Lucia. IBC cannot engage in any activity for which a license issued by the FSRA is required, including mutual funds, international banking business, the international insurance business, international financial services representation. All other business activities are permitted, if the IBC would carry out business externally from Saint Lucia.

2. Does Brokerage activity require a license in accordance with the laws of Saint Lucia?

2.1. Financial regulator in the region

All companies are at present incorporated in Saint Lucia and intend to carry on services related to Virtual Asset Business are required to obtain a license under the Virtual Assets Business Act No. 24 of 2022 of the revised laws of Saint Lucia. "Virtual asset business" means the conduct, for or on behalf of another person, of one or more of the following activities or operations — (a) an exchange between a virtual asset and fiat currency; (b) an exchange between one or more forms of virtual assets; (c) a transfer of a virtual asset, whether or not for value; (d) the safekeeping or administering of a virtual asset or instruments enabling control over a virtual asset; (e) participating in or providing financial services related to the issue or sale of a virtual asset. Therefore, if The Business activity of the Company involves any of the activities listed in section A to E above, a license application



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must be submitted and approved by the Financial Services Regulatory Authority in order for the company to have the requisite permission to provide these services.

2.2. Availability/absence of a license

At present no Regulations have been passed in relation to the Virtual Assets Business Act No. 24 of 2022. As such, companies may incorporate and establish their Virtual Asset Businesses until such time that the regulations come into force. Without the regulations, no application can be submitted, no fees are defined, no application supporting documents are defined. With no legal mechanism in place to apply for a license, the Law is ineffectual and redundant. A law cannot be passed which restricts an act whilst simultaneously provides no regulation relating to how a person may obtain permission to perform the acts that are restricted. The legal maxim of *Lex nil Facit Frustra* applies in this instance. The law does nothing in vain. Therefore, a law cannot compel an act that is frustrated, ineffectual, or pointless. The existence of the Virtual Assets Business Act without any current corresponding regulations in place renders the law frustrated, ineffectual, and/or pointless.

III. CONCLUSIONS

Our conclusions and expert opinion are valid as of the date this document is signed. Since later changes in legislation may occur, this may affect the views expressed in it. We do not undertake any obligation to inform you or any other party wishing to rely on this opinion of any such changes, material or immaterial, or of any other matter that may be brought to our attention in the future. Based on the results of our analysis of the information and documents provided by the Broker, as well as taking into account the provisions of the current legislation of Saint Lucia, the position of the FSRA and the established business practice in the considered sphere of legal relations, the following conclusions can be drawn: In providing its Services, the Broker is an IBC under the applicable laws of Saint Lucia and can provide services until such time as the Regulations relating to the Virtual Assets Business Act are implemented.

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PER: MR. TONJAKA E. HINKSON
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PARTNER OF STERLING LEGAL LTD.



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