

GLOBAL OVERVIEW OF EXPERIENCES IN FINTECH DEVELOPMENT AND ADMINISTRATION

Interim report on the fintech
regulatory environment
in Aruba

Dale Alexander
Kwesi Prescod



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Glossary

5G	Fifth Generation Mobile Technology
Afl	Aruban Florin
AFTA	Aruba Fair Trade Authority
AI	Artificial Intelligence
AML/ CFT	Anti-Money Laundering/ Countering Financing of Terrorism
CBA	Central Bank of Aruba
CRW	Consensus Kingdom Act on Data Protection
DLT	Distributed Ledger Technology
DTZ	Department of Telecommunications of Aruba
EU	European Union
GDPR	General Data Privacy Rules
HIPCAR	Harmonization of ICT Policies, Legislation and Regulatory Procedures for the Caribbean
I-pago	Payment platform facilitating instant payments between participants.
ICT	Information and Communication Technology
KYC	Know Your Customer
LEO	Low Earth Orbit
ML	Machine Learning
MTC	Money Transfer Company
OECD	Organization for Economic Co-operation and Development
PSP	Payment Service Provider
UN	United Nations
UNCITRAL	UN Commission on International Trade Law

Introduction

In continuing the assessment of Aruba's potential as it relates to establishing a strategic framework to leverage fintech, DLT and AI, it is deemed essential to understand the state of digital regulation on the island. In furtherance of that broad objective, it is prudent to review those aspects of the regulatory environment related directly to fintech, DLT and AI, but also evaluate the regulatory frameworks as it relates to related activity, namely telecommunications, banking and finance, as well as general competition management.

The team undertook a mix of desktop analysis and interviews of stakeholders, with a view to appreciating not only the specifics of the regulatory environment, but critically, the impact of the network of regulations on business sentiment. The consideration of business sentiment provides context as to the real implications of policy implementation, as it relates to engendering an appetite to invest.

This document summarises those findings. A significant amount of this document is garnered from in-person stakeholder consultations held in February 2025.

I. Overview of Aruba's legislative context

Fintech, as a digital application, rides along an eco-system of enabling platforms. From the implementation of broadband networks that facilitates connectivity between users, merchants and the fintech platform, to the legal framework that allows for the recognition of transactions that occur entirely in the digital world, there are a number of economic actors which must exist to facilitate fintech services. Each of these economic actors have their respective regulatory frameworks, for which Model Legislative frameworks have been established. For an appreciation of the wholistic enabling environment needed for all aspects of the digital service value chain to thrive, the implementation of legislative frameworks associated with enabling foundational digital ecosystem should be considered. These include:

- Telecommunications
- Electronic commerce – transactions
- Electronic signatures
- Privacy Protection

These, however, are not the only regulatory frameworks that should be considered. fintech Aruba Report on Trends in fintech Sector highlighted, among other things, the need for Aruba to ensure that it has an appropriate supportive environment to develop use and trust in a digital services economy. Establishing this trust is necessary to support the further development of digital services in the financial sector. Among the standard regulatory frameworks identified for enhanced trust in digital service delivery included:

- Competition Management;
- e-Money in the Payment System;
- Digital assets recognition; and
- Cybersecurity Coordination and Management.

An overview of the key legislative frameworks and their implementation across four Caribbean jurisdictions, including Aruba, is provided in Table 1. A similar review of the implemented institutional frameworks to support the legislative frameworks is also provided in Table 2.

Regarding the development of a fintech Sector in particular, fintech Aruba Paper 1 also highlighted the importance of an extant financial sector with high degree of development. The level of Financial Sector development was measured in four quantitative dimensions: (i) sector depth, (ii) access to services, (iii) sector efficiency, and (iv) sector stability.

In this regard, there must be consideration of the specific Financial Sector regulations and rules which would have an impact of these dimensions of Financial Sector development. They include:

- Foreign exchange control and management, particular in the context of AML/CFT requirements;
- Securities and Exchange administration, particularly from the perspective of increasing access to investment opportunity and intermediary services to the public.

This paper seeks to review the existing regulatory and institutional relationships with respect to the areas of interest outlined above.

As a means to model and compare the state of both insurance and financial services in Aruba, data from the World Development Index 2023 was considered. The findings are presented in figures 1 and 2 below.

Table 1
Overview of implementation of key legislative frameworks to support digital economy

Country	Legislative framework						
	Telecoms - universal service	Electronic transactions	Electronic signatures	Data protection and privacy	Cyber crime	e-Money and e-payments	Competition management
Aruba	N	Y	Y	N	N	N	Y
Barbados	N	Y	Y	Y	N		Y
Jamaica	Y	Y	Y	Y	Y	N	Y
Saint Lucia	Y	Y	Y	Y	N	Y	N
Trinidad and Tobago	Y	Y	Y	Y	Y	Y	Y

Source: Authors' elaboration.

Table 2
Overview of implementation of key institutional frameworks to support digital economy

Country	Institutional framework						
	Telecoms - universal service	Electronic transactions	Electronic signatures	Data protection and privacy	Cybercrime	e-Money and e-payments	Competition management
Aruba ^a	n/a	n/a	n/a	n/a	n/a	CB	AFTA
Barbados ^b	MoDI	n/a	DPC*	DPC	n/a	MoISST	n/a
Jamaica ^c	USF	n/a	JTB*	OIC	JCF/ JCIRT	BoJ	JFTC
Saint Lucia ^d	NTRC	DPSM	DPSM	DPSM	RSLPF	DPSM	n/a
Trinidad and Tobago ^e	TATT	n/a	n/a	OIC ^f	TTPS/ CSIRT	CBTT	FTC

Source: UN ECLAC (2023).

^aCentral Bank (CB), Aruba Fair Trade Authority (AFTA).

^bMinistry of Digital Infrastructure (MDI), Data Protection Commission (DPC), Ministry of Innovation, Science and Smart Technology (MISST).

^cUniversal Service Fund Limited (USF), Jamaica Trade Board (JTB), Office of the Information Commissioner (OIC), Jamaica Constabulary Force/ Jamaica Cybersecurity Incidence Response Team (JCF/ JCIRT), Bank of Jamaica (BoJ), Jamaica Fair Trade Commission (JFTC), Access to Information Unit (AIU).

^dNational Telecommunications Regulations Commission (NTRC), Department of Public Sector Modernization (DPSM), Royal Saint Lucia Police Force (RSLPF).

^eTelecommunications Authority of Trinidad and Tobago (TATT), Office of the Information Commissioner (OIC), Trinidad and Tobago Police Force/ Cyber Security Incident Response Team (TTPS/CSIRT), Central Bank of Trinidad and Tobago (CBTT), Fair Trade Commission (FTC), Intellectual Property Office (IPO). Ministry of Digital Transformation (MDT).

^fNot operationalised.

II. Overview of telecommunications regulations and rules

The telecommunication sector are the fundamental rails upon which the digital services economy runs. A robust and competitive domestic telecommunications sector supports innovation in service delivery modalities to the public, but also provides for redundancy in the larger context, mitigating against a single point of failure. In this section we review the telecommunications sector regulatory framework from the context of it supporting a competitive environment supporting multiple service providers.

A. Administration of the telecommunications sector

The Sector regulator is the Directie Telecommunicatie Zaken (DTZ). According to its website, DTZ's role include:

- Prepare, implement and supervise compliance with laws and the underlying rules relating to telecommunications.
- Prepare and implement and oversee effective frequency spectrum management and monitoring the use of ether.
- Prepare and implement general government policy in the field of telecommunications (general policy, permits, rates, number issue).
- Coordinate and advise on international telecommunication matters and with international telecommunications organizations.

Despite its generally broad statements of intent, DTZ seems largely focused however on issues of spectrum management, by virtue of the issuance of licences, and monitoring of spectrum use. Optimal management of a modern telecommunications sector requires a broader scope of authority

and oversight. Operators in the sector require regulators to treat with a host of issues to facilitate business, competition and sustainability. As an example, DTZ does not seem to have the jurisdiction to regulate other common aspects of telecommunications regulatory oversight such as regulating:

- The price of accessing bottleneck infrastructure such as:
 - Landing stations.
 - Towers and ducts.
- The accessibility of services by competitors at non-discriminatory wholesale or cost-based rates, including:
 - Interconnection rates between operators.
 - Wholesale bandwidth prices, for domestic or international backhaul.
- The efficient use of the numbering resource, including:
 - Numbering reuse and recycling to prevent hoarding.
 - The universal use of short-codes by different operators for key emergency and government services (e.g. 911 for police).
 - Number portability between users.
- The technical requirements or specifications associated with the deployment of telecommunications infrastructure to ensure cybersecurity, survivability and sustainability.
- Procedural requirements related to the management of illegal content, legal interception of communications, and other matters related to the responsibilities of operators to ensure the legal use of telecommunications systems, etc.

A regulator's approach to each of these matters may vary, from "soft-touch" to "heavy-handed". However, regardless of the approach, these are matters that must be part of a modern telecommunications regulator's sphere of consideration.

Wholistically, it is unclear whether any of these common aspects of telecommunications regulation are to be pursued by the Aruba Fair Trade Authority, as aspects of competition management. Nonetheless, regardless of how this is pursued, the implementation of these frameworks is critical for facilitating robust competition in the telecommunications sector – a prerequisite for innovation and competition on all other aspects of the ICT sector.

B. Impact on universal service and digital inclusion

Aside from concession roll out obligations, there seems to be no developed framework through which the sector administrator may assess, and seek to address, any gaps in either network development.

There are two frameworks which have become best practice in treating with these development gaps:

- Universal Service: focusing on ensuring the roll out of networks to geographic areas deemed economically unfeasible by operators; and
- Digital Inclusion: focussing on the softer elements associated with citizens optimising the economic and social use of available networks. This framework has three dimensions other than access to network, namely, skills to use the technology, motivation to use the technology, and trust in the use of the technology, all of which are important consideration in implementation.

Neither of these frameworks are implemented in Aruba.

C. Impact on broadband services

Setar N.V. is the only provider of fixed broadband services in Aruba. There seems to be an entrenched monopoly as the regulatory framework does not oblige it to offer unbundled network elements to competitive service providers. Accordingly, Setar N.V. controls bottleneck resources in the broadband value chain – notably the cable landing station and the access to international undersea fibre cables.

Lack of competition in the provision of fixed broadband services creates a limiting factor in the downstream aspects of the ICT sector. This limiting factor is experienced in the market as:

- Delays in the provision of service to schedules at the convenience of the monopolist operator;
- Increased prices for the provision of service;
- Limited options in technological solutions, limiting innovation by downstream suppliers; and
- Increasing the risk of systemic failures, impacting the entire ICT supply chain, based on decisions by the monopolist operator. These systemic fails vary from physical line cuts to cybersecurity breaches.

For Aruba to forge ahead in the development of an ICT sector generally, and a fintech sector specifically, these effects of the limiting factor must be treated with through market-oriented regulatory instruments.

D. Impact on mobile services and low earth orbit services

There is no evidence of a comprehensive spectrum plan that treats with the ex-ante administration of the radio frequency resource of Aruba. Instead, there seems to be an approach of treating with these matters as they arise. Indeed, the management of the issue of the approach to the issuance of 5G spectrum as proposed by consulting firm Stratix, and the associated commentary on these matters by AFTA, highlight this reactive approach to resource administration. This increases the potential for disputes or differing opinions being taken to court for adjudication. Altogether, this increases the risk of delay in access to key resources.

With respect to Low Earth Orbit (LEO) Services it is unclear how the framework distinguishes between the availability of services. The distinction between the availability of DirectTV (a broadcast service) and Starlink (a broadband service) raises questions in this regard.

III. Overview of the enabling digital regulatory environment

Apart from telecommunications, the enabling digital regulatory environment must provide necessary assurances that transactions conducted digitally, and online, are recognised by both parties to the transaction. The rules should be defined so that they are also clear to intermediaries, and if necessary, any arbitral authority, be it the Courts or otherwise.

A. Electronic transactions and electronic signatures

National Ordinance on Agreements Concluded Electronically (AB 2020 no. 157) provides for the recognition of electronic documents and electronic signatures. The law also provides for limited liability for intermediaries.

Notwithstanding these advances, the Ordinance seems to meet only some of the minimum requirements of either the UNCITRAL Model Laws on Electronic Commerce and Electronic signatures, or the HIPCAR Model Law on e-Commerce - Transactions. Notably the Ordinance veers from the UNCITRAL and HIPCAR Models,

- Art. 9 of the Ordinance presumes liability of the “certification service provider”, for any losses incurred by a party relying on a certificate they issued, without establishing a process for market entry of these service providers.
- Art. 10 of the Ordinance seeks to encode a limited aspect of GDPR into the framework, without providing for the institutional framework necessary to enforce even that limited aspect.
- The Ordinance does not codify into Aruban law Art. 8, 9, 10 11 and 15 of the UNCITRAL Model Law.
- The Ordinance does not codify into Aruban law Art. 10, 11, 14, 15, 16, 18, 19 of the HIPCAR Model Law.

The articles from UNCITAL and HIPCAR Model Laws treat with matters regarding:

- General legal recognition and writing;
- General contract formation conditions and procedural requirements;
- Attribution of actions to parties; and
- Timing of sending and receipt of transmissions.

As such, the Ordinances may need to be reevaluated to include provisions that encode these articles. Such amendments would clarify further common law principles' application in the digital sphere. Further, the Ordinance does not seem to provide the umbrella coverage for all electronic documents as provided in either framework. Instead, it seems to target a specific subset of commercial electronic transactions. Despite this, there seems to be the widespread assumption that the Ordinance is sufficient to enable electronically mediated Government services.

It has been identified that the definition of reliable online identities is a critical part of the puzzle to facilitate widespread use and access to advanced digital services. Having certification service providers recognised as operating and/ or registered to operate within a jurisdiction is an important step towards achieving that goal for the citizens of that jurisdictions. Therefore, the following:

- The lack of definition of an oversight body for these service providers.
- The disproportionate presumption of liability of these service providers.
- The lack of clear articulation of market entry and other operational requirements to guide these service providers, may be considered shortcomings in the Ordinance which may disincentivise the entry of these parties into the Aruban market. Indeed, the current construction of the Ordinance does not provide for an administrator in Aruba monitoring any aspect of the electronic business it seeks to enable, including those aspects surrounding the establishment of Authentication Services targeting Arubans.

B. Data protection, privacy and GDPR

There is no administrator of data protection and privacy in Aruba.

Any implementation of systems and frameworks that espouse the practices encouraged by the EU's General Data Protection Regulatory (GDPR) framework are led independently by the private sector. These private sector initiatives are anecdotally driven by competitive demands required for:

- Those firms to participate in the wider global market, pursuant to requirements of business partners, or international clients;
- The anticipated implementation of such frameworks in the future.

Further, there are no assurances that the Government of Aruba adheres to EU's GDPR in its management of personal information in the Public Sector, and there is no reporting public oversight body which reports on this matter to confirm that such is the case. Both of these facets, which are absent from the current privacy regime in Aruba, are essential for the effective implementation of GDPR. They are critical for engendering consumer trust in the use of online platforms, as well as providing legal certainty to service providers who collect and interact with personal data.

Effective implementation of GDPR was highlighted by some stakeholders as a necessary pre-requisite for enhanced trust in the use of advanced digital services. Accordingly, it is recommended that the regional initiative to strengthen GDPR implementation in the Dutch Caribbean, through the new Consensus Kingdom Act on Data Protection (CRW), is followed closely particularly in the context of the institutional implementation. The CRW seeks to introduce, among other things, a joint, supervisory authority to ensure uniform level of privacy protection within the Caribbean part of the Kingdom of the Netherlands.

IV. Overview of competition issues

A. Administrator of the competition oversight

The Aruba Fair Trade Authority (AFTA) is the country's only authority to treat with competition related matters, across all sectors. Established by the National Ordinance on an Authority for Markets and Consumer (Competition Regulation) (AB 2020 no. 103), the AFTA came into effect in 2022.

It is noted that AFTA has broad authority, including over the behaviour of firms not resident or domiciled in Aruba. A major area of precedent that will determine their operations going forward would be clarification on how enforcement of these extra-jurisdictional bodies would be affected.

Given the significant challenges with telecommunications sector, it is expected that matters relating to that sector should be included in the priority areas for AFTA's consideration and advice, if not already under their active review. Further, it is recommended that upon completion of any such review, where AFTA recommends appropriate approaches to treat with matters relating to bottleneck infrastructure and services, there must be a subsequent focus by the legislature to codify appropriate provisions into law. This should shorten the timeframe for implementation of the new regime, compared to the iterative process of continued application for interpretation and guidance from the Courts. It is anticipated that vibrant competition in telecommunications is a precursor of competition in the downstream ICT services sector.

In the realm of fintech in particular, it is noted that "Pay.aw" mobile wallet product is a subsidiary of Setar N.V.. Setar N.V. is also dominant in the telecommunications sector. The prevailing situation suggests an environment where the firm Setar N.V. is dominant, if not monopolist, in many aspects of the fintech value chain: from mobile operators (where Setar is co-dominant in a duopoly) to the e-wallet market (where Setar is currently the only participant). This dominance in vertically integration sub-markets may discourage competitive entry by other parties and form a potent environment for anti-competitive behaviour. It also discourages parties from establishing the eco-system of platform and practitioners necessary for the fintech sector to thrive.

V. Overview of payment system regulations and rules

A. Administrator of the payment system

The Central Bank of Aruba (CBA) is the administrator of the Payment System in Aruba, and it operates the Inter-bank Payment Platform.

Partnerships with the banking sector have resulted in the elimination of cheques as an aspect of the Aruban payment environment. However, there is no specific Ordinance with treats wholistically with the operation of Payment Service Providers that are not Money Transfer Companies (MTCs). There is, however, definition in the legal framework of e-wallet providers under the State Ordinance on the Prevention and Combating of Money Laundering and Terrorism Financing (AB 2011 no. 28).

Payment service providers that are not e-wallets or MTCs are not administered by any current Ordinance or guidelines and thus are unregulated.

B. Impact on depth of participation in the payment services sector

There is widespread adoption of digital payment system services in Aruba, largely due to the high participation rates in the formal banking sector. The largest hindrance to the depth of participation is the administrative burden to obtain a business bank account – which requires, inter alia, prior registration with the Chamber of Commerce, and the subsequent KYC procedures of the banks.

The manner of implementation of the inclusion of e-wallets within the AML/CFT Ordinance has resulted in instances of customers being KYC evaluated multiple times for the same transaction. It is unclear if this has been a disincentive to new e-wallet fintech development.

“Sentoo” is a payment service provider in the e-commerce niche which is not regulated by existing Ordinances and guidelines. There is thus a risk that their operations may have aspects that challenge customer protection norms, and there is no framework to directly determine the scale and scope of their business in Aruba. While the latter argument may be addressed through the analysis of

merchant revenues and reported channels of same, this former challenge is more intransigent. There must be care in developing a framework which is proportional to the AML/CFT risk associated with the business. Sentoo is a member of the Curaçao fintech Association.

C. Impact on the depth of investment in digital payment technologies

Currently there is not much investment in the formal digital payment sector. Outside of the CBA administered I-pago real-time interbank settlement system, there is no reported actors in this space.

VI. Overview of banking regulations and rules

A. Administrator of commercial banking and financial services sector

The Central Bank of Aruba is the also administrator of the Banking and Financial Services Sector.

This sector includes the banking sector, money transfer companies, pawn shops, pensions funds and the insurance sector. The CBA has oversight of these sectors by virtue of various ordinances:

- State Ordinance on the Supervision of the Credit System (AB 1998 no. 16) provides for CBA supervising Commercial Banks, Mortgage Banks, and Credit Unions.
- State Ordinance on the Supervision of the Credit System (AB 1998 no. 16) also establishes legal requirements for which an exemption from the CBA is required to operate pawn shops and microfinance companies in Aruba.
- State Ordinance on the Supervision Money Transfer Companies (AB 2003 no. 60) provides for CBA supervising Money Transaction Companies.
- State Ordinance on Company Pension Funds (AB 1998 no. GT 17) provides for CBA supervising company pension funds in Aruba.
- State Ordinance on the Supervision of the Insurance Business (AB 2000 no. 82) provides for CBA supervising life and general insurance companies.

Through the State Ordinance on the Prevention and Combating of Money Laundering and Terrorism Financing (AB 2011 no. 28), the CBA also has oversight of the compliance with the anti-money laundering and countering financing of terrorism (AML/CFT) laws and regulations at both the financial institutions and designated non-financial service providers (including but not limited to lawyers, civil notaries, tax advisors, accountants, jewellers, high value dealers, casinos). Notably, this ordinance:

- Introduces, but does not further define the term “crypto-assets”;
- Requires e-wallet service providers to comply with AML/CFT requirements as any other service provider captured under the Ordinance.

The CBA is also the central foreign exchange bank for Aruba. As such, the CBA regulates payment transactions with entities abroad. The foreign exchange law and regulations are designed to support the CBA’s implementation of monetary policy of Aruba, which includes, inter alia, stabilizing the Aruban Florin (Afl) against the US dollar (USD). There are two major aspects of the foreign exchange regulations which were reflected on by stakeholders:

1. Foreign exchange licence

State Ordinance Foreign Exchange Transactions governs foreign exchange transactions. Thereunder the CBA has issued a general foreign exchange to execute foreign capital transactions per calendar year or the equivalent thereof in foreign currency, as follows:

- A natural person can execute foreign capital transactions up to six hundred thousand Aruban florins (Afl. 600,000).
- A company can execute foreign capital transactions up to one million five hundred thousand Aruban florins (Afl. 1,500,000).

2. Foreign exchange tax

State Ordinance on Foreign Exchange Commission (AB 1990 no GT 5) requires residents to pay a tax, of 1.3% of the value of the transactions:

- On their payments abroad; or
- Payments to non-resident foreign currency accounts (e.g. credit card payments).

The CBA uses these regulatory frameworks to undertake its functions, including Monetary Policy oversight. These frameworks establish an environment which is predictable, while stabilizing the Afl as a currency benchmarked to the US dollar.

B. Impact on depth of participation in the banking and financial services sector

Other than the established Banks, a general consensus is that the application of the AML/CFT requirement effects a “one size fits all” approach that is not appreciated or supported. The established banks have expressed satisfaction with the regime, whereas the Insurance and other aspects of the Financial Services sector have expressed a chilling impact on their capacity to invest in the Aruban fintech sector.

In the context of this feedback from market participants, it is questioned whether this is the best approach for the application of the general tests outlined in the Ordinance. While it is readily accepted that the increased risk associated with an activity generally warrants greater scrutiny (for example, where sums of cash are introduced into the banking systems), the opposite is also true. As such, where there is decreased systemic risk associated with the business approach (for example, where the monetary value is already in the banking system) the question arises as to whether singular, one-size-fits-all *ex ante* restrictions can become overly onerous barriers to market entry?

While not validated, the implementation of the Forex regulatory regime is also the subject of criticism, as a source of competitive disadvantage to market participation in the Financial Services

Sector. The impact of these regulations, both independently and in the context of intrinsic challenges such as the size of the Aruban market, has to be independently assessed.

C. Financial inclusion

Financial inclusion measures the availability of affordable financial products and services in the market. Financial inclusion to the banking sector is reportedly high in Aruba. In that regard, it augurs well for Aruba's Financial Sector development indicators, particularly in the areas of "Sector Depth" and the "Institutional Depth". These areas are key attributes monitored by the World Bank to evaluate the maturity of the financial sector in a jurisdiction.

The prevailing approach to market oversight, coupled with the perspectives and policies of the traditional banks on the state of financial inclusion in Aruba, suggest that Aruba's Financial Sector development indicators will also be favourable in the dimension "Sector Stability". This would suggest that the financial market is robust enough to withstand market shocks, ensuring continued flow of funds to at least savers.

However, as discussed above, the challenges associated with the AML/CFT regulatory implementation as well as the Forex regulatory regime are increasingly seen as constraints to innovation in service delivery in this space.

VII. Overview of securities business

A. Administrator of securities business

The Central Bank of Aruba is also the administrator of the Securities Services Sector.

From its website CBA advises that The State Ordinance on the Supervision of the Securities Business (AB 2016 no. 53), establishes the legal framework to supervise the securities market, as well as the activities of "parties in the securities business." In this regard, the Ordinance provides the CBA with wide discretion in the conduct of its function.

It is noteworthy that there is one (1) Investment Bank registered with the CBA, and no active securities exchange in Aruba. Anecdotally, this has been attributed to "AML/CFT" challenges. Further, given the regulatory mandate that 60% of investments by institutional investors must be made onshore in Aruba, there is a general limiting in the breadth of investment opportunities that can be engaged in.

The absence of a securities exchange and supporting structures and platforms thus does not augur well for Aruba's Financial Sector development indicators in the areas of Access and Efficiency. In that regard, a review of the AML/CFT requirements, a corollary to the attributed challenges referenced, may be necessary. Such a review should be in the context of encouraging the development of some form of channel to improve Sector Efficiency and Access.

B. Digital assets recognition

There is no designated administrator of digital assets.

It is noteworthy that AB 2011 no. 28 refers to but does not further define "crypto-assets". In that regard, it can be inferred that persons who undertake that business, may be required to register with CBA, if only to comply with, at least, AML/CFT regulations.

CBA has not defined any frameworks with regard to digital assets and digital asset administration. Without such recognition, the application of DLT's to the implementation of tokenized assets would be limited, possibly only to closed groups of users.

VIII. Conclusion

It can be argued from the preceding review that there is significant work to be done to establish a robust regulatory framework to support any aspect of the digital service value chain in Aruba.

From the broadening of effective telecommunications regulations to the implementation of GDPR, there is great scope for the development of rules, systems and institutional capacity to provide the appropriate enabling and supportive regulatory environment in Aruba. From a human capacity perspective, there may be concern regarding the breadth of new regulatory institutions that this body of work infers. However, there are significant model frameworks that exist which can be leveraged to assist in establishing necessary provisions, as well as significant support structures and partnerships in the Caribbean that can assist in overcoming these capacity constraints.

Going beyond the general regulatory requirements for digital service administration, the preceding review highlights that there needs to be some policy direction and implementation within the sphere of the Financial Sector itself. Without concerted efforts in this regard, there will be limited scope of fintech services that can be readily offered. Reflecting on the aspects of the fintech Cube, it should be noted that the scope of fintech services that can be pursued is impacted by the ability for both the Business Model and Financial Services sectors to interact. Where there are gaps in the enabling regulatory framework, there will be uncertainty that could negatively impact development in that sector of the fintech supply toolkit.

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This interim report assesses Aruba's potential to leverage fintech, distributed ledger technology and artificial intelligence, by examining the current state of digital regulation on the island. It provides an in-depth overview of the fintech regulatory environment in Aruba, assessing key legislative and institutional frameworks that support digital financial services. In particular, it reviews the regulatory frameworks related to telecommunications, banking, finance and competition management, highlighting the impact of these regulations on business sentiment and investment appetite.

The results of the analysis underscore gaps in Aruba's existing regulations, particularly in areas such as universal service, digital inclusion and oversight of electronic commerce and privacy protections. The report includes findings from stakeholder consultations held in February 2025 that emphasize the need for a supportive environment to develop trust in digital services. Ultimately, the report calls for a more comprehensive approach to regulatory frameworks, with a focus on enhanced oversight, market incentives and strategic reforms to encourage financial innovation, and suggests that addressing regulatory gaps and fostering competition would create a more conducive environment for fintech expansion and financial sector modernization in Aruba.



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