

Nicaragua

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

In Nicaragua, the law that regulates fintech is Resolution CD-BCN-XXV-1-22, Regulation of Financial Technology Providers of Payment Services and Virtual Asset Service Providers, published in *Official Gazette* No 76, on 27 April 2022. It is supplemented by reforms approved by Resolution CD-BCN-LXIX-2-22 of 20 October 2022 and published in *Official Gazette* No 212 of 11 November 2022. Its purpose is to regulate the authorisation process of financial technology providers of payment services and establish other provisions applicable to authorised providers.

Some other laws that address related issues are:

- Law No 974, Law of the Nicaraguan Legal Digest of the Matter of Banking and Finance, approved on 10 May 2018 and published in *Official Gazette* No 164 of 27 August 2018, is a compendium of laws and regulations on banking issues;
- Law No 732, Organic Law of the Central Bank of Nicaragua, approved on 14 July 2010 and published in *Official Gazette* Nos 148 and 149 of 5 and 6 August 2010 respectively, states that it is the responsibility of the Central Bank of Nicaragua to approve the rules for the operation and surveillance of the country's payment system;
- Law No 561, General Law of Banks, Non-Banking Financial Institutions and Financial Groups, approved on 27 October 2005 and published in *Official Gazette* No 232 of 30 November 2005;
- Law No 1072, approved on 12 May 2021 and published in *Official Gazette* No 89 of 17 May 2021, the law on reforms, and additions to Law No 977, the law against money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction, and additions to Law No 561, General Law of Banks, non-banking financial institutions and financial groups;
- Law No 842, Law for the Protection of the Rights of Consumers and Users, approved on 13 June 2013 and published in *Official Gazette* No 129 of 11 July 2013, and its regulations Decree No 36-2013, approved on 10 October 2013 and published in *Official Gazette* No 192 of 10 October 2013, contains provisions on electronic transactions of financial services.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

In Nicaragua there is legislation on crypto assets (virtual assets), focused mainly on the regulation, supervision and prevention of money laundering: activities approved mainly between 2022 and the beginning of 2025.

In April 2022, the Regulation of Financial Technology Providers of Payment Services and Virtual Asset Service Providers was approved, which regulates virtual asset service providers (VASPs) and fintechs.

The Central Bank of Nicaragua (BCN) authorises the operations of these providers and the provision of services related to virtual assets. A provider must obtain a licence to operate and register with the Financial Analysis Unit (UAF) as obligated subjects.

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

In Nicaragua, the applicable regulations governing payment service providers and digital wallets are the Regulation of Financial Technology Providers of Payment Services and Virtual Asset Service Providers set out in Resolution CD-BCN-XXV-1-22, approved on 20 April 2022 and published in *Official Gazette* No 76 of 27 April 2022. The regulatory authority is BCN, which is responsible for authorising and supervising financial technology providers of payment services.

The purpose of this regulation is to establish the general provisions governing the application, authorisation, operation, and regulation process for providers of payment services (PSPs) and VASPs.

This regulation applies to all persons who operate or wish to operate any PSP or VASP services within the national territory of Nicaragua.

4. Special support to fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

Nicaragua has actively supported financial technology (fintech) through a regulatory framework designed to support, regulate, and promote financial inclusion and technological innovation. In this regard, the BCN regulates PSPs and VASPs to ensure their legality. However, there is no specific programme to expedite these procedures, as Nicaragua focuses primarily on guaranteeing the legality of these companies, which must comply with regulations for the prevention of money laundering (Law 977) and consumer protection, thus fostering trust in the market.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

In Nicaragua, there is no specific regulation or defined legal framework on open banking that obliges financial institutions to share customer data.

The current legal framework in Nicaragua focuses on the stability and supervision of the traditional financial system: there are currently no direct or indirect regulations that affect open banking.

6. Regulation of virtual assets service providers.

The law that regulates fintech is the aforementioned Regulation of Financial Technology Providers of Payment Services and Virtual Asset Service Providers.

According to the Regulation, the activities that these entities can carry out, provided they are authorised by the BCN and as specified in their corresponding licence, include:

- exchange between virtual assets and fiat currencies;
- exchange between one or more forms of virtual assets;

- transfer of virtual assets, including peer-to-peer (P2P) transfers made through electronic platforms operated or managed by a VASP;
- custody and/or administration of virtual assets or instruments that allow control over virtual assets; and
- participation in and provision of financial services related to an issuer's offering and/or the sale of a virtual asset.

7. AML and the Travel Rule in crypto asset transactions.

There is indeed an anti-money laundering and counter-terrorist financing (AML/CFT) regulatory framework applicable to fintech companies. This has been significantly strengthened and updated between 2022 and 2025.

The main regulatory framework comes from the Regulation of Financial Technology Providers of Payment Services and Virtual Asset Service Providers (updated in 2025), which governs companies that offer mobile wallets, transfers and virtual asset management.

These companies are considered 'obligated entities' under Nicaragua's Law No 977 (Law Against Money Laundering), which means they must implement compliance policies, report suspicious activities to the UAF, and apply due diligence measures to prevent money laundering.

In this regard, the responsible and empowered authority to enforce these obligations is the Financial Analysis Unit (UAF).

8. Enforcement and cross-border recognition of tokenisation and structuring of secured transactions involving crypto assets.

The structuring of tokenised financial instruments in Nicaragua is in an emerging and transitional regulatory stage, marked by the adoption of fintech regulations that recognise VASPs.

The structuring of financial instruments related to tokenised assets can take the following forms, specific to each sector.

- Real estate: ownership is structured through fractional ownership. A legal entity that owns the property issues tokens, where each token represents a direct share in the ownership or in the economic rights of a rental/sale.
- Digital bonds: these are structured as dematerialised securities. They are represented by tokens that incorporate debt rights, interest rates, and maturities.
- DeFi instruments: the structure is based on smart contracts, which automate custody, lending and yield functions. New regulations in Nicaragua aim to regulate intermediaries offering these services, requiring them to comply with transparency and risk management requirements.

The validity and enforceability of a foreign law clause in contracts related to crypto assets (virtual assets) are subject to freedom of contract, but are limited by national public policy and the need for regulatory compliance (AML/CFT). In other words, the civil code recognises the autonomy of the parties' will, allowing them to apply foreign law. However, the same law may not recognise a foreign law clause if it violates national sovereignty, public policy, or if the transaction does not comply with applicable anti-money laundering laws.

9. Litigation and jurisdiction on crypto assets: legal implications of disputes involving crypto assets.

Nicaragua lacks specific regulations and a comprehensive legal framework for crypto assets, which creates significant uncertainty in litigation.

In the event of litigation, the lack of legislation leads to crypto assets being considered as intangible assets or personal property rights.

Given the lack of clear and/or specific regulations for litigation, it is important to consider the creation of smart contracts, which establish commercial arbitration clauses and are proposed as tools to help resolve disputes between individuals.

10. Intellectual property and crypto assets: legal protection, ownership, enforcement, and monetisation of IP rights related to digital and virtual assets.

In terms of IP, the ownership of applications developed to provide some type of financial technology service related to digital and virtual assets are duly protected based on the provisions of Law 312, Law of Copyright and Related Rights (the 'Copyright Law').

The Copyright Law establishes that the rights of an author include moral and economic rights that give the author full control and the exclusive right to exploit the work, with no limitations other than those established in this law.

These rights, being legally protected, provide legal certainty against third parties, allowing for claims to be made even through legal channels.



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