Nicaragua

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Disclaimer: The information contained in this guide is provided for general informational purposes only and does not constitute legal advice. Each case should be assessed individually, taking into account its specific circumstances and the applicable legal and regulatory framework. Anyone intending to conduct these activities in Nicaragua should seek advice from a qualified Nicaraguan lawyer with expertise in the relevant area of law.

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

Nicaragua has a regulatory framework governing various fintech activities, which has been recently updated. Although there is no single comprehensive law specifically governing all fintech activities, the Central Bank of Nicaragua (the 'Central Bank') has issued regulations addressing specific categories of financial technology services, particularly payment services and virtual assets.

The main legal and regulatory instruments include the following.

Regulations applicable to payment services and virtual asset services

The following instruments establish the regulatory framework applicable to the authorisation, registration, operation and supervision of payment service providers (PSPs) and virtual asset service providers (VASPs) in Nicaragua, including the requirements applicable to providers operating within the scope of the respective regulations:

- Resolution CDMF XIII 2 25,[1] Regulation on Financial Technology Providers of Payment Services and Providers of Virtual Asset Services, issued on 23 April 2025; and
- Administrative Resolution GG-08-MAYO-2025-LASMF-DO,[2] Regulation for the Implementation of the Regulation on Financial Technology Providers of Payment Services and Providers of Virtual Asset Services, issued on 23 May 2025.

Regulations applicable to fintechs providing remittance payment services and currency exchange services

The following regulations establish the regulatory framework applicable to remittance PSPs and currency purchase and/or exchange service providers in Nicaragua, including the requirements governing their authorisation, registration and operation:

- Resolution CDMF-XXIII-1-25, Regulation on Remittance Payment Service Providers and Currency Purchase and/or Exchange Service Providers, issued on 2 July 2025; and
- Administrative Resolution GG-16-AGOSTO-2025-LASMF-DO, Regulation for the Implementation of the Regulation on Remittance Payment Service Providers and Currency Purchase and/or Exchange Service Providers, issued on 21 August 2025.

Other relevant laws and regulations

In addition to the specific regulations governing fintech activities described above, the following laws and regulations address related banking, financial, consumer protection and anti-money laundering (AML) matters:

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1 See www.bcn.gob.ni/sites/default/files/normas_disposiciones/CD_Norma_Proveedores_PSP_PSAV.pdf accessed 28 October 2026.

2 See www.bcn.gob.ni/sites/default/files/normas_disposiciones/RA_GG-08-MAYO-2025-LASMF-DO-PSP_PVSA.pdf accessed 28 October 2026.

- 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. This law establishes the Legal Digest of the Matter of Banking and Finance, consolidating the relevant legal and regulatory provisions applicable to the sector;

- Law No 732, Organic Law of the Central Bank of Nicaragua, approved on 14 July 2010, and published in *Official Gazettes* Nos 148 and 149 of 5 and 6 August 2010, respectively. This law establishes the legal framework governing the Central Bank and sets forth its powers and responsibilities, including those relating to the regulation and oversight of the national 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. This law establishes the legal framework applicable to banks, non-banking financial institutions and financial groups within its scope of application; and

- Law No 977, Anti-Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction Law, as amended. This law establishes the framework for the prevention, detection and reporting of money laundering and terrorist financing.

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

Nicaragua regulates crypto assets, referred to as 'virtual assets', primarily through Resolution CDMF-XIII-2-25, issued on 23 April 2025, and Administrative Resolution GG-08-MAYO-2025-LASMF-DO, issued on 23 May 2025 (collectively, the 'Regulations'), alongside Law No 977, as amended, and applicable AML regulations.

Legal nature

Virtual assets are digital representations of value that may be traded or transferred and used for payment or investment, excluding fiat currencies, securities and other financial assets. The Regulations cover VASPs, including exchange, transfer and custody services. However, cryptocurrencies are not legal tender in Nicaragua; the Córdoba remains the national currency, whose issuance is under the exclusive authority of the Central Bank of Nicaragua (Banco Central de Nicaragua or BCN).

Tax treatment

The Regulations do not establish a comprehensive crypto-specific tax regime. Transactions must therefore be assessed under generally applicable tax legislation, including the Ley de Concertación Tributaria. Depending on the circumstances, income may be subject to rules governing business income, capital income and capital gains or losses. The absence of specific rules does not imply tax exemption.

CBDCs

Central bank digital currencies (CBDCs) are digital forms of central bank money, distinct from privately issued cryptocurrencies. The Regulations do not establish a framework for issuing a Nicaraguan CBDC, and no specific issuance framework was identified in the official sources reviewed. Foreign initiatives, such as China's digital yuan and the proposed digital euro, do not automatically acquire legal-tender status in Nicaragua.

Investor protection and operational prohibitions

VASPs must comply with applicable authorisation, registration, supervision and AML requirements. Article 23 of the implementing Regulation prohibits or restricts practices designed to obscure transaction traceability, including certain mixers, tumblers, privacy-enhancing technologies, privacy wallets and chain hopping. It also restricts anonymisation tools integrated or promoted by VASPs to conceal users' locations.

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

The BCN oversees the authorisation and operation of PSPs offering services such as payment processing, merchant payment acceptance, electronic money issuance and administration, payment instruments and electronic foreign exchange services.

Digital wallets are expressly defined as platforms that enable online or contactless payments and fund transfers through linked payment instruments, and may also store and process electronic money and virtual assets. Electronic money represents a claim against its issuer, must be redeemable at par, and does not constitute a bank deposit or accrue interest. The applicable regulatory requirements depend on the services provided and whether the wallet handles fiat funds, electronic money, virtual assets or a combination thereof.

PSPs must obtain the relevant BCN license or registration, and meet applicable corporate, capital, technical, operational and financial requirements. Providers must also comply with applicable AML obligations, and technological and cybersecurity requirements, including incident management, data protection, business continuity and customer complaint procedures.

Where providers hold customer funds or electronic money, the Regulations establish safeguarding requirements, including the use of segregated bank accounts where applicable. The BCN supervises compliance and may impose regulatory measures or sanctions for violations.

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.

In Nicaragua, there is no dedicated regulatory sandbox, fintech accelerator or specific support programme for fintech startups formally sponsored by the BCN. The BCN's current framework

focuses on licensing, registration and supervision of fintech PSPs and VASPs, rather than providing specialised startup support.

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

No specific legislation or regulatory initiative introducing a dedicated open banking framework has been identified as planned or pending. Accordingly, any open banking arrangement must be assessed under the existing rules applicable to banking confidentiality, personal data protection and regulated payment services.

6. Regulation of virtual asset service providers.

Nicaragua regulates VASPs under Resolution CDMF-XIII-2-25, Regulation on Financial Technology Providers of Payment Services and Providers of Virtual Asset Services, issued on 23 April 2025; Administrative Resolution GG-08-MAYO-2025-LASMF-DO, issued on 23 May 2025, as amended; and Law No 977, Anti-Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction Law, as amended. These rules establish the licensing, registration, operational and supervisory framework applicable to VASPs.

Under domestic law, a VASP is a natural or legal person, domestic or foreign, conducting one or more regulated activities on behalf of another person, including:

- exchanging virtual assets for fiat currency;
- exchanging different forms of virtual assets;
- transferring virtual assets;
- providing custody or administration of virtual assets or instruments enabling control over them; and
- participating in or providing financial services related to an issuer's offer or the sale of virtual assets.

VASPs must obtain the applicable operating license or registration from the BCN before conducting regulated activities. They must meet the relevant corporate, capital, technical, operational and financial requirements. VASP authorisation is separate from authorisation applicable to PSPs, although an entity may apply for both if it satisfies the respective requirements. VASPs must also register with the Financial Analysis Unit (Unidad de Análisis Financiero or UAF) as obliged entities for AML purposes and comply with applicable customer due diligence, transaction monitoring, record-keeping and reporting obligations.

The BCN is the prudential regulator responsible for licensing, registration, supervision and applicable sanctions. The UAF oversees compliance with AML, counter-terrorist financing (CFT) and counter-proliferation financing requirements. VASPs must also comply with applicable restrictions on transactions and counterparties, including requirements concerning transfers involving other VASPs.

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

Nicaragua has an enforceable AML/CFT framework applicable to VASPs under Law No 977, as amended, and the regulations issued by the competent authorities, including UAF Resolution No UAF-N-026-2025. Article 24 of Law No 977 requires the relevant supervisors to establish rules governing the collection, transmission and retention of originator and beneficiary information in electronic transfers, remittance services, virtual asset transfers and similar transactions, covering both domestic and cross-border operations.

Under the applicable VASP regulations, providers must comply with customer identification, due diligence, record-keeping and information requirements for virtual asset transfers, including the collection and transmission of relevant originator and beneficiary information, as applicable. These obligations form part of the enforceable regulatory framework rather than merely non-binding guidance.

The BCN oversees VASP licensing and prudential supervision, while the UAF supervises compliance with AML/CFT obligations. Accordingly, Nicaragua has established a legal basis for applying Travel Rule requirements to VASPs, with the specific operational obligations governed by the applicable implementing regulations.

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

Nicaragua does not have a specific legal framework for taking security over crypto assets or tokenised assets. However, the Movable Guarantees Law (Law No 936) may apply to certain intangible assets and rights, depending on their legal nature. Security interests generally require a written agreement and registration in the Registry of Movable Guarantees to be enforceable against third parties, subject to any additional formalities applicable to the underlying asset.

Foreign governing-law clauses may be recognised, subject to Nicaraguan conflict of law rules and mandatory local law. In the event of default, secured creditors may pursue judicial enforcement or out-of-court remedies where permitted by law. Whether a public auction is required or direct appropriation of collateral is allowed depends on the applicable legal regime and the parties' agreement. The legal treatment of tokenised collateral remains subject to uncertainty, as no specific rules addressing its enforcement have been identified.

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

Nicaragua has no specific rules addressing jurisdiction in disputes involving crypto assets. These matters would generally be governed by Law No 902, Code of Civil Procedure, as amended. Under Article 27(5), Nicaraguan courts must abstain from hearing a civil dispute where there is a valid agreement submitting the matter to the courts of another country, provided that at least one party is foreign. Accordingly, foreign jurisdiction clauses may be recognised and enforced, subject to the applicable legal requirements and mandatory rules.

Exclusive jurisdiction clauses are therefore generally enforceable when validly agreed, subject to applicable restrictions, including those protecting consumers and ensuring contractual equality. The law also limits the validity of certain forum selection clauses in bilateral or adhesion contracts. The enforceability of a particular clause will depend on its wording, the parties involved and the circumstances of the dispute.

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

Nicaragua's IP framework is governed by Law No 354 on Patents, Utility Models and Industrial Designs; Law No 380 on Trademarks and Other Distinctive Signs; and Law No 312 on Copyright and Neighbouring Rights, as amended. Under these laws, inventions may be protected by patents; software and other original works by copyright; and brands and project names by trademarks, subject to the applicable legal requirements.

IP protection is generally territorial, so protection in foreign jurisdictions may require separate applications or registration through applicable international systems. IP rights associated with crypto assets, including software, trademarks and eligible inventions, may be licensed, assigned or otherwise commercialised in Nicaragua, subject to applicable legal requirements. As Nicaragua has no specific IP regime for crypto assets, these rights are governed by the general IP framework.



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