



GOVERNMENT OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF FINANCIAL INSTITUTIONS
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PRESS RELEASE

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COMMISSIONER OF FINANCIAL INSTITUTIONS ISSUES RESOLUTION AND ORDERS SUSPENSION OF OPERATIONS OF ATHENA BITCOIN

For failure to comply with licensing requirements under Puerto Rico’s Law to Regulate Monetary Services Businesses

San Juan, P.R., September 12, 2022—The Office of the Commissioner of Financial Institutions (“OCFI”), by its Commissioner, Natalia Zequeira Díaz, served last Friday, September 9, a Final Resolution and Cease and Desist Order (the “Resolution and Order”) against **Athena Bitcoin, Inc.** (“Athena”), a Monetary Services Business (“MSB”) organized and operating in Puerto Rico under the Law to Regulate Monetary Services Businesses (Law 136-2010 or the “Law”).

In its Resolution and Order, OCFI reiterates its earlier denial of the license application filed by Athena because of its failure to comply with the obligation to submit information and/or documents required by the Law including (1) sufficient and reliable information to establish its compliance with capital and assets requirements; (2) the required bond; and (3) audited financial statements. Further, OCFI notifies Athena that, at present, the monetary transfers business and commercial transactions Athena conducts in Puerto Rico are not authorized by OCFI, as required by Law, and, therefore, the company must immediately cease and desist all of its commercial operations in Puerto Rico.

“[t]he OCFI accorded Athena all due process of law, including multiple opportunities to comply with the clear mandates of Law No. 136-2010. However, without any legal justification, Athena has failed in its obligation to submit the totality of the information and/or documents necessary to finalize the licensing process applicable to its monetary transfers business....Further, in a reckless manner, Athena has continued its commercial operations in Puerto Rico fully aware that it does not hold a valid license issued by OCFI, as required by law,” states the Order issued by Zequeira.



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On April 22, 2021, OCFI issued Circular Letter CIF-CC-2021-3 (the “Circular Letter”) to establish the requirement of a license in the case of MSBs covered by the Law, in particular those that operate Bitcoin Teller Machines (“BTMs”) kiosks or convertible virtual currency and/or cryptocurrency ATMs

OCFI issued said Circular Letter in accordance with the corresponding guidance issued by the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) that provides that owner-operators of convertible virtual currency kiosks that accept and transfer value, must comply with the norms applicable to MSBs. Among other factors, OCFI took into consideration the fact that the Federal Financial Institution Examination Council—the entity that groups banking regulators in the various United States jurisdictions—considers MSBs to be high risk in regards to potential money laundering crimes.

“As we have reiterated in the past, OCFI will not allow or tolerate any financial entity—whether a bank, international banking entity or monetary services business—operating within Puerto Rico’s financial system to do so outside the law or in disregard of the clear mandates of applicable laws and regulations,” said Commissioner Zequeira.

The Resolution and Order schedules an administrative hearing to take place on Tuesday, September 20, 2022, to provide Athena the opportunity to be heard on the matter, such that upon conclusion of the formal adjudicative procedure, OCFI could confirm, modify or annul the Order, further to the recommendations of the designated Examining Official. Should Athena forego the hearing, OCFI will understand that the affected party has acquiesced and consents to the issuance of the corresponding orders with further delay or need of notification.

