



COMISIÓN NACIONAL DE ACTIVOS DIGITALES



**Exceeding
Expectations**

**FROM
ZERO TO
WORLD
LEADERS
IN THE DIGITAL
ASSETS INDUSTRY**

2023 - 2024



*National Commission of Digital Assets Annual Activity
Report 2023-2024. El Salvador, Central America.*

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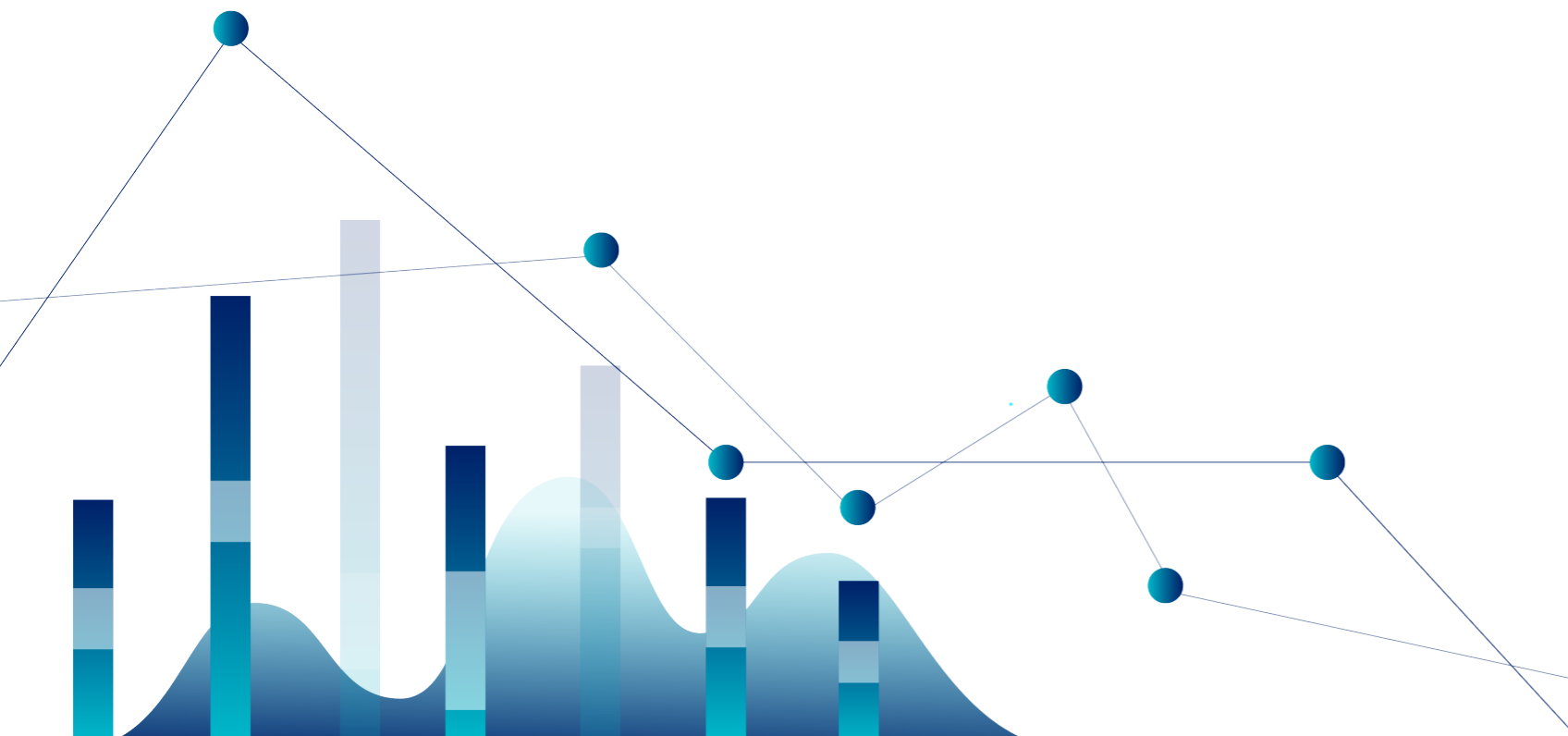
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... we have achieved
significant milestones

that have positioned us as the top in the Americas and the second-leading cryptocurrency and digital asset regulator worldwide...



PRESIDENT
of the Board and
Executive Director

JUAN CARLOS REYES GARCÍA

MESSAGE FROM THE PRESIDENT

AND EXECUTIVE DIRECTOR OF THE NATIONAL COMMISSION OF DIGITAL ASSETS



Every success begins with an idea, but it is achieved through hard work.

Upon returning to El Salvador to lead the National Commission of Digital Assets, I found an innovative law, along with a few regulations and files, and a newly appointed Director, but that was just the beginning.

We started from scratch, with the support of the Minister of Economy, Lic. María Luisa Hayem, who provided us with our first office space and resources. Thanks to our allies and collaborators, we worked long hours to support this strategic project of our President. To all of them, thank you for being part of this journey. That was our humble beginning.

In this first year, we have achieved significant milestones that have positioned us as the top in the Americas and the second-leading cryptocurrency and digital asset regulator worldwide, driving innovation and setting high standards for this inclusive and digital financial sector.

Our existence and achievements are rooted in the transformative Bitcoin Law. Recognizing the need to innovate and fully embrace this financial revolution, President Nayib Bukele established an independent financial regulator to combine the integrity of traditional finance with the innovative potential of blockchain technology. We are the first in the world to have and adopt this clarity of focus.

The CNAD stands out globally due to our regulations, crafted by world-class digital asset experts, and our supervisory framework, developed with the assistance of leading global traditional financial regulators. We understand that overseeing this industry requires a combination of traditional financial expertise and a deep understanding of blockchain technology.

As both a technological and financial regulator, the CNAD is uniquely positioned to navigate the complexities of the digital age. Our role extends beyond financial oversight to include the regulation of technological innovations that underpin the digital asset ecosystem. This dual approach ensures that we maintain the integrity of the financial system while fostering innovation and technological advancement.

Our team, supported by experts from the global industry, is firmly committed to the success of our nation. As reflected in our annual report, our young and talented team has excelled through its hands-on approach, driving our mission with great determination.

At CNAD, we are proud to have brought together a group
of the country's brightest minds



We invite you to explore our achievements

and join us in celebrating the progress we've made in shaping the future of digital assets.

INTRODUCTION



“We have built an **ecosystem of digital assets**

that did not exist before in El Salvador”

In September 2024, we celebrate the first year of successes under the 2023-2028 Board of Directors, led by Juan Carlos Reyes García as President of the CNAD. And we have much to celebrate.

From day one, starting from scratch, together with the board members Miguel Serafín and César Córdova, we have built a digital asset ecosystem that did not previously exist in El Salvador.

Furthermore, we have implemented the vision to organize and establish the best regulatory and supervisory entity for digital assets globally. This has allowed us to create world-class regulations to oversee the industry with a risk-based approach aligned with international best practices.

We now supervise over 30 registered entities in our public registry, with a long waiting list of others seeking authorization to operate. This demonstrates the genuine interest in doing business in El Salvador and the trust that CNAD inspires as the referee of the game’s rules.

SUCCESSSES and ACHIEVEMENTS

without precedents

Our Legacy

The mission entrusted to the CNAD, and the legacy this Board of Directors will leave behind, is that of a pioneering institution in the world, with a strengthened Salvadoran digital asset ecosystem. This has been achieved by creating the most comprehensive and specialized regulatory and supervisory team for this sector, developing the best legislation to promote the industry, and implementing the necessary measures to enforce the law, attract investors, and protect the public.

Our objective is to promote market stability and security, ensure El Salvador’s competitiveness in this industry, and maintain the country’s leadership position globally.

Our Goal

To promote the stability and security of the digital assets market, ensuring that El Salvador is competitive in this industry and guaranteeing the leadership position of our country in the eyes of the world.

Success Story

El Salvador is one of the global leaders in real-world asset tokenization, with over

5 billion dollars approved in digital asset

It has established itself as a reference point in adopting and regulating tokenizations backed by real underlying assets.

“The eyes of the world are now on **El Salvador**”



WHAT IS THE NATIONAL COMMISSION OF DIGITAL ASSETS ?

The National Commission of Digital Assets (CNAD) is the world's first regulator and supervisor of digital asset service providers and ecosystem participants in the Republic of El Salvador.

It plays a key role in the digital and economic transformation of our country, supporting the growth of the digital asset ecosystem with the strategic vision of our Board of Directors, which combines strong corporate governance, visionary leadership, and a technological approach in each of its areas of management.

Our corporate governance philosophy is based on

integrity, transparency, and the principle of

“don't trust, verify”

with a strong focus on accountability.

We have built a solid foundation to ensure that each of our steps is aligned with the highest international standards. Our goal is not only to regulate but also to lead with a forward-looking vision, driving innovation and progress at all levels of our digital economy.

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The commission is the engine that drives a new model of **economic development** for El Salvador

”



“

We invest in the training and education of our teams, ensuring that the commission is always a reference for

knowledge, leadership and action

in the field of digital assets.

”

Our institutional growth perspective is deeply rooted in a commitment to excellence and talent development. We believe that a strong institution is not only measured by its current achievements but by its ability to adapt and thrive in a changing global environment.

The National Commission of Digital Assets of El Salvador also serves as the engine driving a new economic development model, where effective governance, transformative leadership, and the power of technology combine to create a bright future for our country.

Success Story

The conditions have been set for new foreign investment: Global companies such as Bitfinex, Tether, Binance and recently Valereum have decided to register and move their operations to El Salvador.

This reflects the trust and security that the favorable regulatory environment offers to the digital assets ecosystem.

Desafiando el Futuro - Las Dificultades



- Integración financiera para compañías de activos digitales
- Darlos a conocer como un país con altos estándares de regulación en la industria
- Atraer mas jugadores lideres mundiales de la industria
- Peligro de crear mucha regulación
- Falta de educación sobre lo que es posible
- Estafas y hackers
- Adaptación de el inglés para asuntos de negocios
- Falta de miembros de la industria capacitados: Abogados, contadores, estructuradores
- Complicaciones del proceso de abrir compañías para extranjeros
- Crear un mercado internacional de compradores en el país
- Integración financiera de bitcoin como moneda legal en el país.

II. Our Successes

FIRST YEAR OF ACHIEVEMENTS



El Salvador is one of the global leaders in real-world assets tokenization, with over

5 billion dollars

approved in digital assets issuances, establishing itself as a reference point in the adoption and regulation of tokenizations backed by real underlying assets.



The CNAD has been recognized as the...

2nd leading digital asset regulator in the world surpassed only by Switzerland.

El Salvador's regulation ranks higher than economic powerhouses like Japan, Germany, France, Gibraltar, Lithuania, the UAE, the Bahamas, and Turkey.



The CNAD achieved a historic success by defending El Salvador in a review process by GAFILAT that, for the first time, included digital asset regulation and supervision. In its final report, GAFILAT praised the CNAD for being the...

1st institution dedicated exclusively to digital assets

and highlighted its solid focus on anti-money laundering and counter-terrorism financing controls.



The success of the National Commission of Digital Assets is rooted in the excellence of its human capital.

CNAD has implemented a recruitment strategy aimed at attracting top talent in regulation, finance, and blockchain technology. This approach has resulted in the formation of a high-performing multidisciplinary team capable of developing and implementing an innovative and effective regulatory and supervisory framework for digital assets.

CNAD has achieved an extraordinary milestone on the international digital assets stage.

Our institution has attracted the attention and interest of companies and regulators from... 25 countries,

including those widely recognized as pioneers in the digital asset industry. This achievement underscores the leading position that El Salvador has reached in the field of digital asset regulation and ecosystem development.

Among the nations that have sought collaboration or advice from CNAD are financial and technological powerhouses like Switzerland, known for its "Crypto Valley"; Gibraltar, a leader in blockchain regulation; and Kazakhstan, an emerging hub for cryptocurrency mining. Also included are Argentina and Brazil, regional leaders in financial technology adoption. The interest from these countries, traditionally at the forefront of financial innovation and digital asset regulation, validates El Salvador's visionary and pioneering approach.

This international recognition not only positions our country as a global strategic center for the development and regulation of digital assets but also opens doors for international collaborations, knowledge exchange, and potential investments. CNAD continues to work to consolidate this leadership position, promoting an innovative, secure, and attractive digital asset ecosystem for both national and international entities.

The tokenization of real-world assets has democratized access to high-yield investments. The tokens issued represent a variety of underlying assets, from real estate to soybean futures projects, offering attractive returns that were previously only available to institutional or high-net-worth investors.

This market opening not only diversifies investment options for everyday citizens but also fosters a more inclusive and dynamic financial environment,

marking a milestone in the democratization of the Salvadoran financial system.



We have made significant progress in bridging the gap that traditionally exists between the conventional financial industry and the digital assets sector. Unlike many jurisdictions where there remains a regulatory and operational divide between these two worlds, our country has established an innovative and comprehensive regulatory framework that serves as an effective bridge.

This visionary regulatory approach has catalyzed an unprecedented integration. Thanks to the clarity and robustness of the regulations established by CNAD, we have witnessed a remarkable phenomenon: key players from the traditional financial industry are proactively approaching the Commission to seek authorization and enter the digital assets market. Established banks, long-standing financial institutions, and other pillars of the conventional financial system are now actively exploring opportunities to operate as issuers or providers of digital asset services.

This convergence represents a significant achievement, demonstrating how well-designed regulation can not only coexist with innovation but also foster the evolution of the financial sector as a whole. El Salvador thus positions itself as a global model of how effective regulation can facilitate the transition and collaboration between the traditional financial world and the emerging digital asset ecosystem, creating a more integrated, innovative, and resilient financial environment.

We have created favorable conditions to attract new foreign investments: Renowned global companies such as Bitfinex, Tether, Binance, and recently Valereum (formerly owners of the Gibraltar Stock Exchange) have decided to register and work in El Salvador, seeking regulation from CNAD.

This trend reflects the...

confidence and security
that the favorable investment climate in the country offers the digital asset ecosystem.

The effectiveness of our legal framework and the specific regulation of stablecoins have led the giant Tether, issuer of the stablecoin USDT, with a circulation of 120 billion dollars, to choose El Salvador for the issuance of new and more innovative stablecoin products, backed by gold custodied in Europe.



We have an agile and transparent process for authorizations within our ecosystem. In public offering issuances, the evaluation process is completed in a maximum of five business days.

As part of our commitment to fostering inclusion and innovation, CNAD has created the Digital Assets Innovation Center, focused on developing technological tools and integrating educational models to train professionals, such as compliance officers and specialists in digital asset regulation within digital finance.

CNAD has developed manuals and standards for conducting rigorous evaluations of platforms that trade digital assets, ensuring trust in the digital asset ecosystem and its long-term sustainability.

This is a world-first achievement, made possible by the CNAD's specialized teams in technology and finance.

CNAD has implemented a supervision standard based on risk, according to international best practices, to measure and mitigate risks of the digital asset market. This approach allows CNAD to carry out effective supervision, promoting trust and market integrity.

We have technical advisory committees with extensive international experience in evaluating and managing financial, technological, and regulatory compliance risks. These committees provide the technical staff with key tools and instruments to create guidelines and procedures for evaluating the business models of Digital Asset Service Providers.

FIRST IN AMERICA and second in the world in digital assets regulation

In 2024, El Salvador reached a significant milestone in its journey as a pioneer in digital assets regulation.

COINCUB, a renowned economic analysis firm specializing in cryptocurrencies, recognized our country as the second in the world with the most favorable regulation towards crypto assets. This achievement not only validates El Salvador's innovative vision but also highlights the excellence of our regulatory framework.

The National Commission of Digital Assets (CNAD) has played a crucial role in this recognition. The technical quality of the regulations issued and the oversight exercised by CNAD over the digital asset ecosystem have transcended borders, demonstrating to the world our capability and expertise in creating regulations that foster innovation while maintaining high standards of security and transparency.

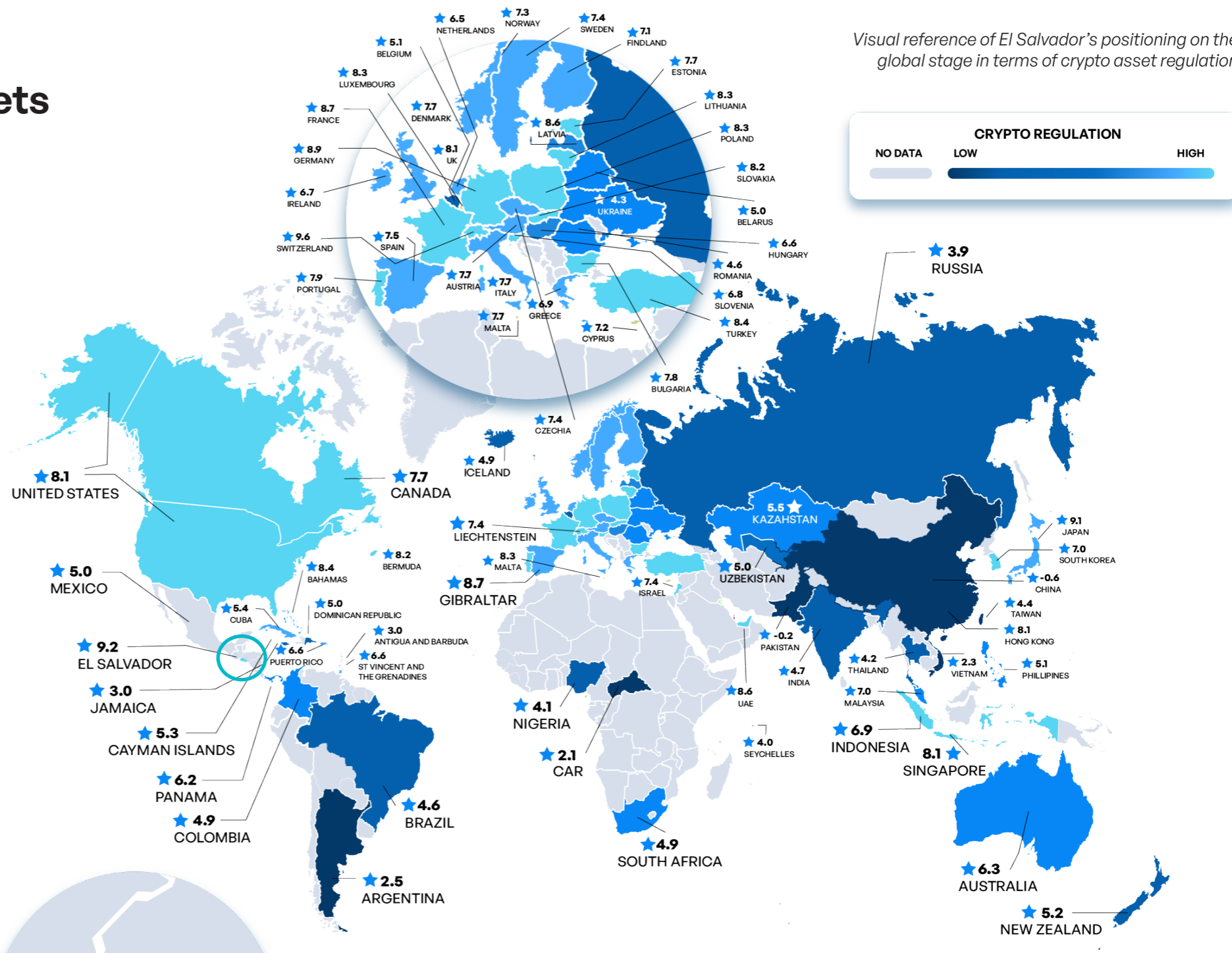
This international recognition underscores El Salvador's commitment to developing a regulatory environment that balances promoting technological innovation with protecting users and the integrity of the financial system. CNAD continues to work towards maintaining and improving this position, solidifying El Salvador as a global leader in digital asset and blockchain technology regulation.



El Salvador has gained increasing recognition and invaluable international prestige,

establishing itself as a leader in issuing regulatory frameworks for digital assets in the region, thus enhancing credibility and trust in the ecosystem in El Salvador.

Visual reference of El Salvador's positioning on the global stage in terms of crypto asset regulation



THE BEST COUNTRIES

with favorable and positive crypto regulation

1. Switzerland	6. Gibraltar
2. EL SALVADOR	7. Lithuania
3. Japan	8. UAE
4. Germany	9. Bahamas
5. France	10. Turkey

THE WORST COUNTRIES

for crypto regulation

67. Nigeria	72. Argentina
68. Seychelles	73. Vietnam
69. Russia	74. CAR
70. Antigua and Barbuda	75. Pakistan
71. Jamaica	76. China

Successful participation of CNAD

in defending the country's compliance with FATF standards on digital assets



The National Commission of Digital Assets (CNAD) has demonstrated its excellence and commitment in regulating the digital asset ecosystem, which is prominently reflected in the results of the rigorous mutual evaluation conducted by the Financial Action Task Force of Latin America (GAFILAT).

This evaluation, known for its complexity and thoroughness, represents a crucial milestone for any member country of GAFILAT. The process involves an exhaustive review of national systems for preventing and combating money laundering and terrorist financing (ML/TF), covering legal, operational, and effectiveness aspects in implementing international standards.

The evaluation team, composed of experts from Costa Rica, Guatemala, Nicaragua, Panama, Uruguay, and the Dominican Republic, conducted an in-depth analysis of the measures implemented by El Salvador. In this context, CNAD emerged as a key player, receiving special recognition for its innovative tools and effective activities in preventing ML/TF in the digital assets sector.

The importance of receiving favorable ratings in this evaluation cannot be overstated. These ratings not only validate the effectiveness of our policies and regulatory practices but also strengthen El Salvador's international reputation as a safe and reliable destination for investments in the digital asset sector. Additionally, positive scores in the GAFILAT evaluation facilitate international financial relations and improve the country's perception in global economic forums.

The report issued by the evaluation team specifically highlights CNAD's role, recognizing its efforts in developing and implementing effective mechanisms to comply with international ML/TF prevention standards in the innovative and complex field of digital assets. This recognition not only validates CNAD's work but also positions El Salvador as a regional leader in the responsible regulation of new financial technologies.

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“... CNAD, despite being a newly created (January 2023), has shown significant efforts in identifying risks in the DASP sector...”

”



CNAD is the world's first regulator

exclusively dedicated to regulating and supervising digital assets, successfully passing an evaluation based on FATF standards.





III. Human Talent

HUMAN TALENT



CNAD base their success on

human talent
and team excellence.

Our president, Juan Carlos Reyes García, with his dual Salvadoran and Canadian background, brings invaluable international perspective to our institution. His solid academic background, which includes a master's degree from Harvard University and degrees in computer science and mathematics, gives him a deep understanding of the technical and financial complexities inherent in digital assets.

Under his leadership, CNAD has implemented a recruitment strategy aimed at attracting top talent in the fields of regulation, finance, and blockchain technology.

This approach has resulted in the formation of a **high-performing multidisciplinary team**

capable of developing and implementing an innovative and effective regulatory and supervisory framework for digital assets.

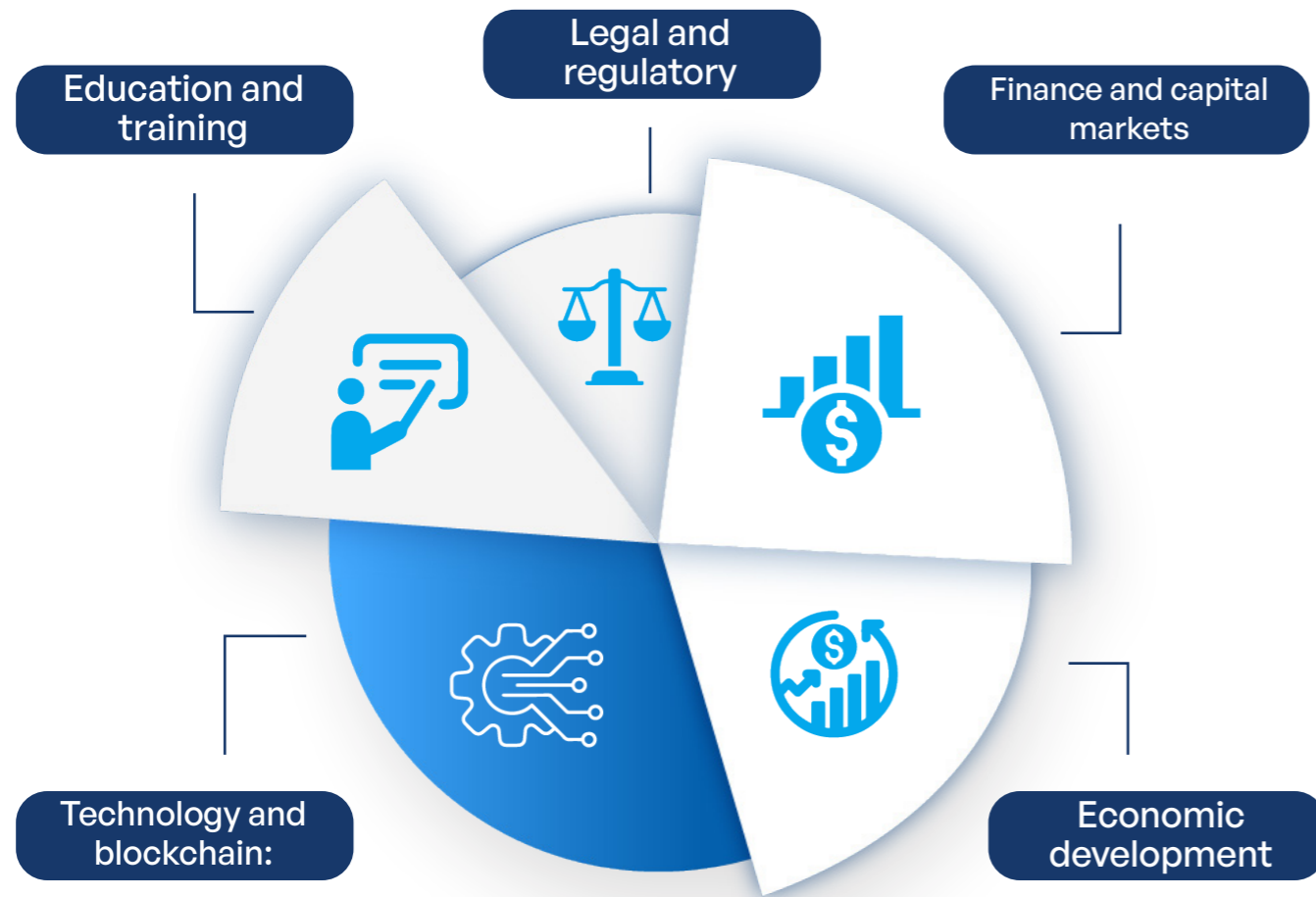
Our president's vision has been essential in establishing El Salvador as a leader in digital asset regulation. His leadership has fostered an organizational culture that values innovation, technical excellence, and adaptability in a constantly evolving financial landscape.

Our president remains firmly committed to creating the best global team in the digital assets field, a goal that goes beyond words and is reflected in concrete and measurable actions. Recognizing that continuous education is essential for maintaining this leadership, CNAD has implemented an unprecedented professional development program.

As a tangible demonstration of this commitment, this year, 20 members of our team are pursuing a specialized postgraduate degree in cryptocurrencies, blockchain, and decentralized finance at the prestigious CEMA University in Argentina.

This investment in the continuous development of our human capital not only strengthens our team's individual capabilities but also solidifies CNAD's position as a global leader in the regulation and supervision of digital assets. With this focus on excellence and continuous education, CNAD is prepared to face future challenges and continue being a model in the international digital asset regulatory space.

Necessary Ingredients for regulation



Technology and blockchain: Designing and overseeing the technological infrastructure that supports digital assets.

Finance and capital markets: Expertise in capital markets and debt issuance, with a focus on integrating digital assets into these systems.

Legal and regulatory: Developing the legal and regulatory framework that ensures the responsible and safe use of digital assets in El Salvador.

Economic development: Integrating digital assets into the Salvadoran economy, promoting both internal growth and foreign investment.

Education and training: Promoting financial and technological literacy among the population, businesses, and investors interested in the digital asset ecosystem.

At CNAD, we have the best experts in every area

Within our team, CNAD proudly has a roster of top-level professionals ensuring the efficiency of our institution.

Computer scientists and engineers

Economists

Business Administrators

Lawyers

Accountants

Our high level of professional specialization guarantees the success of our mission. The master's degrees and specializations of our human talent include:

Cryptography, blockchain, and crypto-assets specialists

Financial risk assessment, supervisory standards

Financial analysis, debt issuance, and capital markets

Finance, computing, and digital transformation

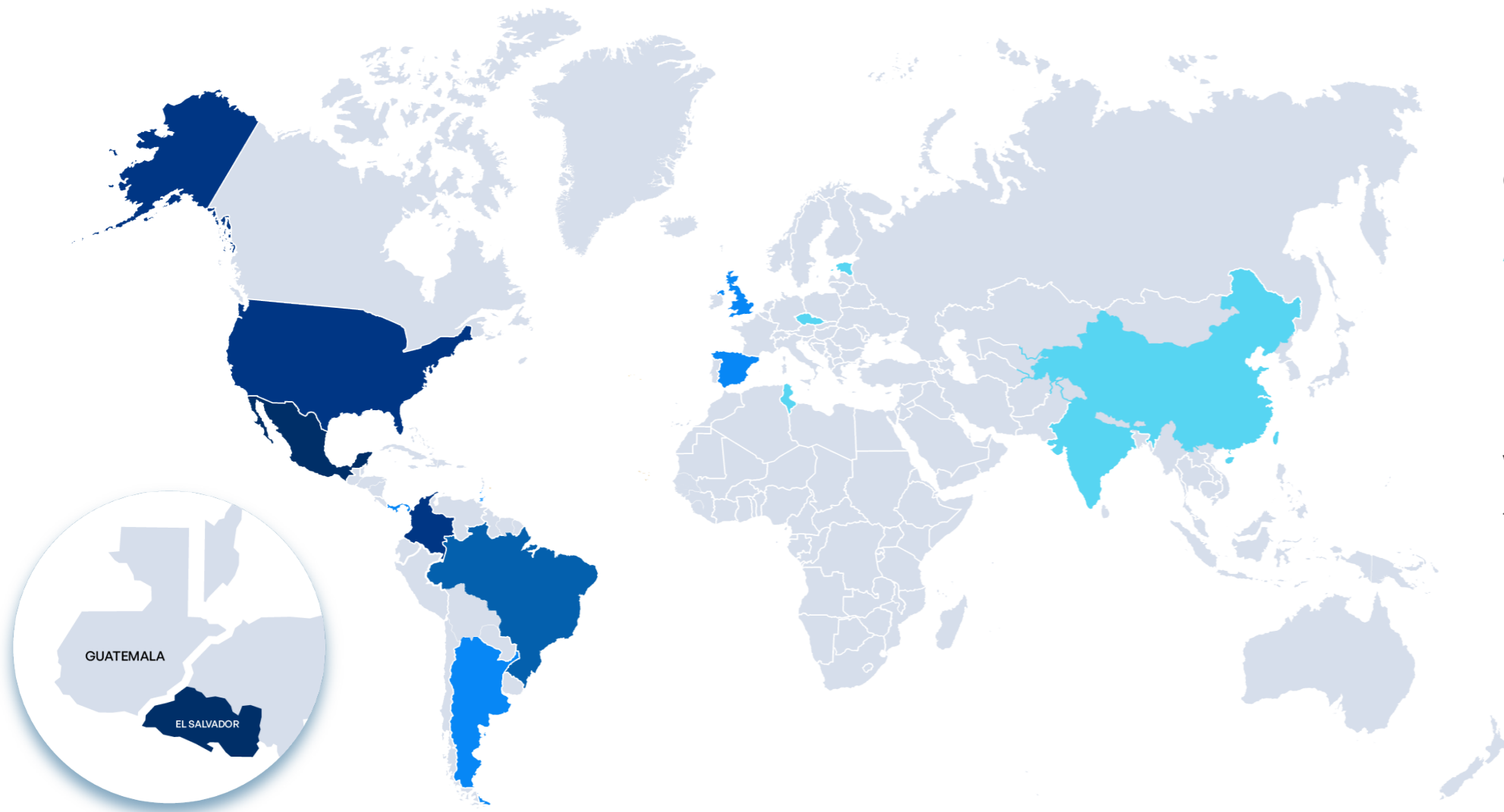
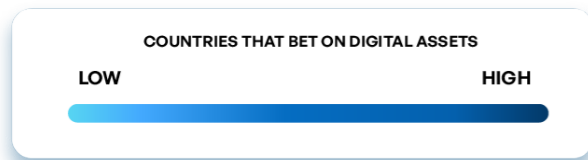
Financial law, business law, and Smart Contracts





IV. Institutional projection

Countries Aiming to the Digital Assets Ecosystem in El Salvador



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El Salvador is a global reference in the **digital assets ecosystem** thanks to its innovative approach and a pioneering regulatory framework.

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El Salvador has positioned itself as a global leader in the digital assets ecosystem, driven by its innovative approach and a pioneering regulatory framework that promotes the adoption of tokenization technologies. The efforts, results, and international projection of the Commission have led to over 20 countries requesting assistance or collaboration with CNAD in regulation, supervision, and development of the digital assets ecosystem in less than a year.

Entities and companies from Argentina, Switzerland, Gibraltar, and Brazil, recognized for their technological leadership, now see El Salvador as a strategic center for establishing operations.

Countries such as

Argentina, Brazil, Colombia, Guatemala and Mexico

view El Salvador as an opportunity

to integrate digital assets into their economies.

Some countries have already become key players in the Salvadoran ecosystem. The United States, Hong Kong, Brazil, and Mexico are leading the integration of tokenization solutions, solidifying El Salvador's position as a hub for innovation in digital assets.

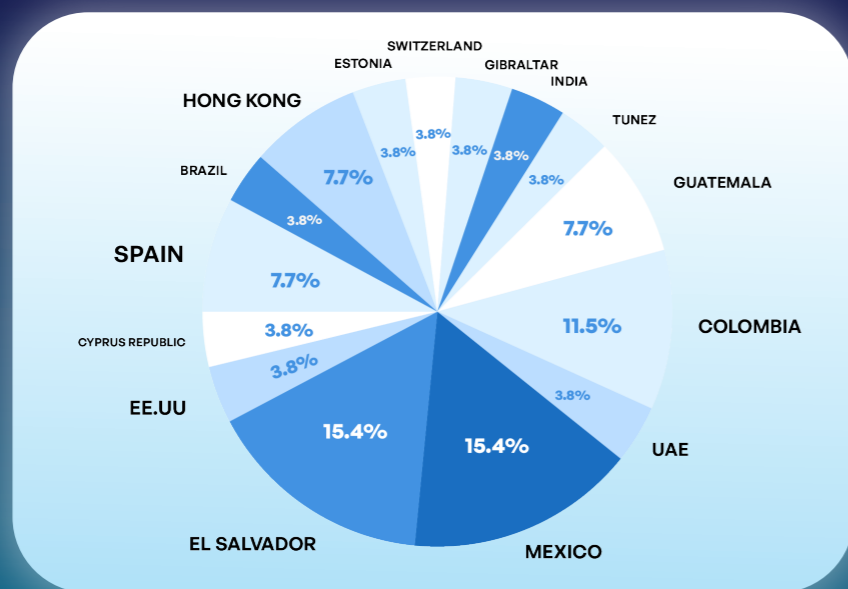
These partnerships have created a favorable environment for investment and technological development, highlighting the country's potential to lead in the digital economy.

Global interest is evident:

over 100 requests
from more than 20 countries

have been submitted to the Commission seeking to integrate into El Salvador's crypto-assets ecosystem.

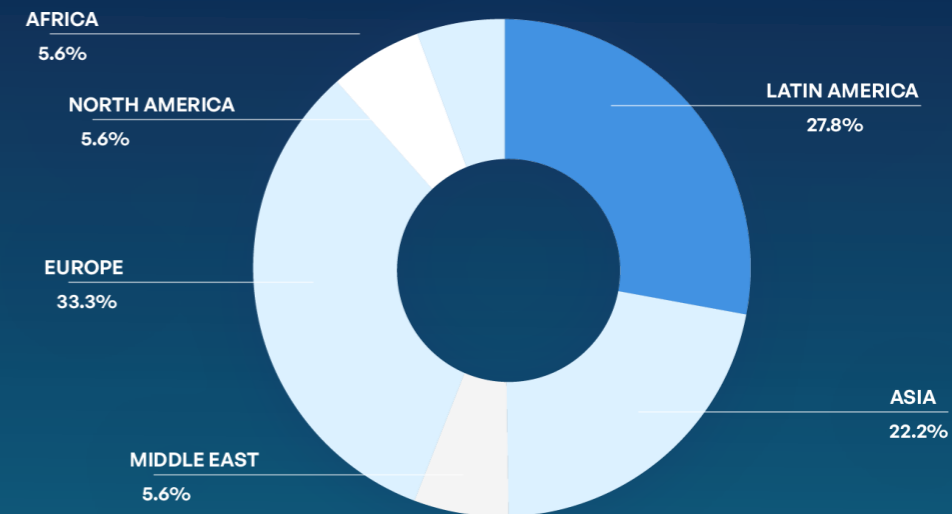
Interested countries



El Salvador has sparked notable international interest in its digital asset ecosystem, with countries such as Mexico, Colombia, Hong Kong and the United States showing a strong commitment to participating.

Since the adoption of Bitcoin as legal currency, El Salvador has established itself as a leader in the cryptoeconomy, attracting investments and positioning itself as a benchmark in financial innovation. This international diversification reinforces the country's role in the transformation of the digital and financial sector at a global level.

Interested Companies Continent of Origin



This remarkable interest validates the effectiveness of the country's regulatory framework, characterized by its flexibility and ability to adapt to the demands of the digital economy.

Success stories in digital asset issuance not only strengthen international confidence but also position El Salvador as a reference in the transformation of the financial sector.

Notable Cases

Bitfinex Securities

The first Digital Asset Service Provider registered and authorized by CNAD in El Salvador.

BINANCE

A provider offering the world's most widely used digital asset exchange platform.

Enor Securities

Offers a tokenization service platform. Its latest tokenization in El Salvador is \$ESOY, originating from Brazil.

MIO 3

A platform that offers tokenization services, primarily focusing on real estate projects.

Success Story

CNAD promoted and strengthened international cooperation in digital asset regulation.

In May 2024, CNAD and the Astana Financial Services Authority (AFSA) of Kazakhstan signed a Memorandum of Understanding to enhance cooperation and facilitate the exchange of information in digital asset markets in their respective jurisdictions.

This strategic partnership seeks to foster cross-border collaboration, promote regulatory best practices, and strengthen the global digital finance ecosystem.



CNAD has participated in key international forums to

strengthen the institution

and promote its objectives.



Global Participation and Strategic Alliances

of the Commission in the World of Digital Assets

2024

San Jose, September 16-17: Support for the GAFILAT-BCIE Project: Strengthening Technical Compliance in Costa Rica

Participation in technical assistance provided to Costa Rica to prepare for the fifth round of mutual evaluation; presented the status of the regulatory framework, CNAD's supervisory strengths, and the state of the ecosystem in El Salvador.



Kazakhstan, September 6: Astana Finance Days 2024

Discussion panel addressing the opportunities and challenges in adopting Blockchain technology in the financial industry. The Commission's commitment to leading the path to technological innovation in the financial sector was highlighted.



August 16: Fintech Day Paraguay

Conference in Asuncion on financial and technological innovation where El Salvador was highlighted as being at the forefront of fintech innovation and regulation thanks to the work of the Commission.



Rio de Janeiro, July: Blockchain RIO 2024

Presented El Salvador’s experience and leadership in crypto-asset and digital asset regulation, emphasizing the country’s commitment to a robust regulatory framework that drives the growth of this emerging industry.



May: Official mission to South America: Argentina, National Securities Commission

Juan Carlos Reyes, President of CNAD, met with authorities from the National Securities Commission (CNV) of Argentina to discuss El Salvador’s experience as the first country to adopt Bitcoin as legal tender and its pioneering role in developing the digital assets market.



(FATF LATIN AMERICA) GAFILAT

El Salvador participated in GAFILAT’s Mutual Evaluation, where CNAD successfully presented the country’s advances in digital asset regulation and its commitment to international recommendations for money laundering and terrorism financing prevention. The outcome demonstrated El Salvador’s commitment to transparency and security in the use of digital assets.



May: Memorandum of Understanding with Kazakhstan

CNAD and the Astana Financial Services Authority (AFSA) of Kazakhstan signed a Memorandum of Understanding to enhance cooperation and facilitate the exchange of information in digital asset markets in their respective jurisdictions.

Participation in Bitcoin Pizza Day

An interview during Bitcoin Pizza Day where the president of CNAD shared El Salvador’s progress since adopting Bitcoin as legal tender in 2021, emphasizing its position as a leader in the use and development of digital assets. He stressed that Bitcoin adoption is “a pioneering vision for the future,” emphasizing the opportunities digital assets offer for the economic development of El Salvador and the region, and the crucial role CNAD plays in regulating and advancing these assets.



Argentina: National Securities Commission: Regulation of the crypto-economy

Debate on the fundamental role of regulation in developing the crypto-economy, highlighting its impact on creating a more transparent and accessible digital financial ecosystem.



Paraguay: Visit to Penguin Academy: Exploring new opportunities

Interest was shown in an intensive training program for young people and adults in programming and technological skills at a key moment for El Salvador, which has established itself as a leader in digital asset adoption and has attracted significant technological investments from global companies.



Switzerland, March: Crypto Mountain Davos 2024: Bitcoin vs. Gold

El Salvador's experience in cryptocurrency adoption, its innovative regulatory framework, and future expectations were highlighted.



2023

Switzerland: CRYPTO2023: Crypto-assets and risk management

Held in parallel with the World Economic Forum in Davos, Switzerland. The economic benefits achieved thanks to comprehensive digital asset regulation were highlighted, emphasizing how these policies are contributing to the strengthening of the Salvadoran economy and positioning El Salvador as a reference in global financial innovation.

Our Events

CNAD has promoted engagement with the industry and key players for the **development of the digital assets ecosystem**



Our activities have provided a unique perspective on the rise and establishment of the digital assets ecosystem. While fostering engagement with the industry and key players for ecosystem development, we also delve into the challenge CNAD faces in regulating and supervising the market, achieving the perfect balance between sustainability, stability, innovation, and the security and protection of investors under regulatory standards.

Real image of CRYPTO2023: Cryptoassets and risk management, held in Switzerland



December 2023

Our first 100 DAYS:

an overview of the nascent digital assets ecosystem in El Salvador.

April 2024

200 DAYS of progress:

progressive evolution and rapid, unstoppable growth of digital assets in El Salvador.

July 2024

300 DAYS of growth:

digital assets regulation as the path to success for economic development.





V. Public Registry

Public Registry of Digital Assets

Success Story

El Salvador's regulation and the advantages it offers have built bridges with the traditional financial industry, attracting key players in the country's economy from the banking and securities sectors.

These players are managing their authorization as providers or issuers of digital assets and their incorporation as economic agents participating in the ecosystem.

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More than 30 registered entities

include Digital Asset Service Providers (PSAD), digital asset issuers, and certifiers of digital asset issuances.

”

CNAD has carried out a rigorous process of registering and supervising the actors in the digital assets ecosystem in the country. It has also updated the process of registering and enrolling entities operating within El Salvador's digital assets ecosystem to ensure swift registration and expedite the start of operations for economic agents in the market.

The registered entities are:

Digital Asset Service Providers (PSAD), such as cryptocurrency exchanges, digital wallets, and structurers, as well as digital asset issuers and certifiers of digital asset issuances.

“

More than 100 applications

have been received from those interested in operating with digital assets in El Salvador.

”

Registration Process Timeline

The deadlines for the registration process speed up the start of operations of entities and the processes of issuance of digital assets, energizing the market.

20 business days:

Maximum time to authorize the registration of PSAD and Certifiers of Digital Asset Issuance.

5 business days:

Maximum time to enable Digital Asset Issuances.

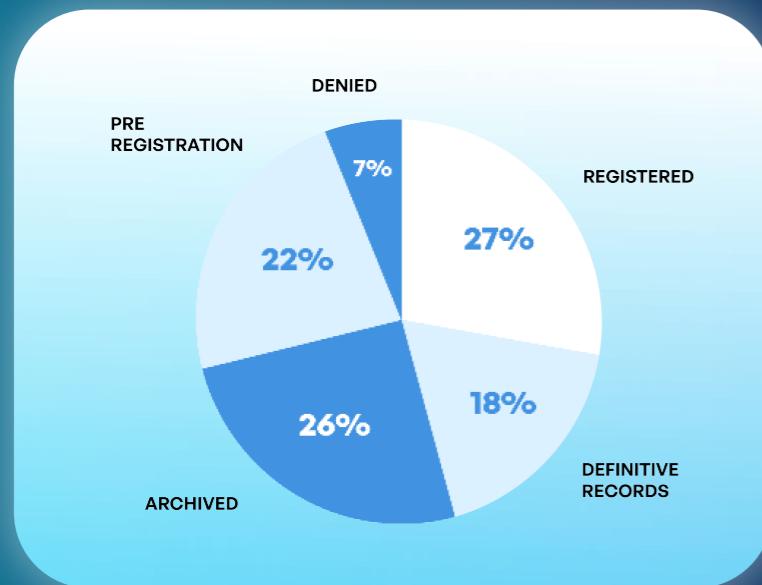
Success Story

CNAD has created an agile and transparent process for the authorization of digital asset service providers, certifiers, and digital asset issuances. For public offering issuances, the evaluation process is completed within a maximum of five business days, ensuring proper risk management with special attention to the technological platforms used.

This underscores CNAD's commitment to rigorously evaluating companies seeking to enter the digital asset market. The deadlines for the registration process expedite the start of operations for entities and the processes for digital asset issuances, thus energizing the market.

Registration Statistics

Application Processing at CNAD



Of the total applications received:

27% approved and formally registered.

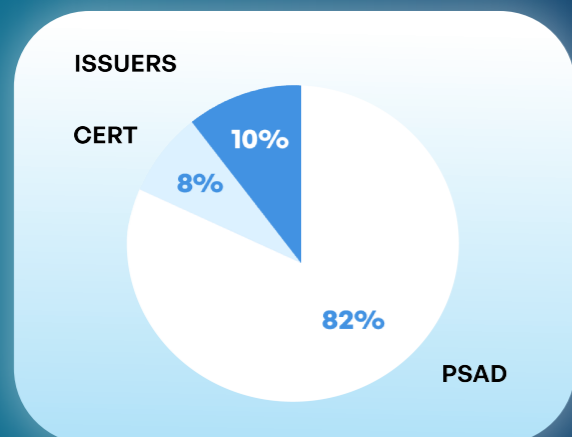
33% denied or archived.

18% in the final registration phase.

22% in the pre-registration phase.

This overview highlights CNAD’s commitment to rigorously evaluating companies seeking to participate in the digital asset market, ensuring compliance with established regulatory standards to safeguard the transparency and stability of the ecosystem.

Of the entities that have applied for registration:



82% applied as Digital Asset Service Providers (PSAD).

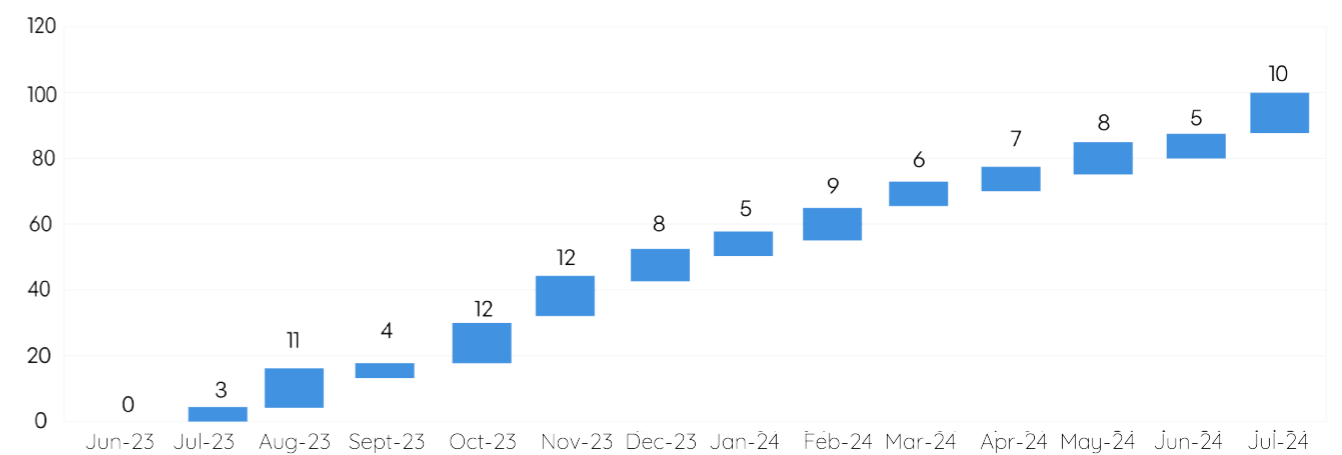
10% as digital asset issuers.

8% as certifiers of digital asset issuances.

Since its inception, there has been strong interest in the digital assets industry, with a growing number of entities seeking to integrate into the Salvadoran market. This reflects the increasing confidence in the ecosystem and in CNAD, which continues to foster an environment of transparency and security.

More and more companies are beginning their registration process, demonstrating the appeal and robustness of the established regulatory framework.

Growth chart with detailed monthly application statistics:



Success Story

The supervision carried out by CNAD over the technologies used by the supervised entities is essential to ensure that the platforms of the ecosystem’s participants are secure, efficient, and capable of handling the volume of transactions demanded by the market.

CNAD performs a rigorous evaluation of these platforms with the goal of guaranteeing confidence in the digital assets ecosystem and ensuring its long-term sustainability.



VI. Regulatory framework

Strengthened Regulatory and Supervisory Framework for the Digital Assets Ecosystem in El Salvador



CNAD strengthened its **regulatory capacity**

to oversee the growing digital assets sector.



The regulatory framework has been essential in ensuring the integrity of the ecosystem, protecting consumers, and mitigating systemic risks through the application of a risk-based approach, while promoting innovation. This has consolidated a robust regulatory and supervisory framework composed of the following components:

The Digital Asset Issuance Law and Regulations issued by CNAD



CNAD's Challenge

Despite significant progress, CNAD acknowledges that challenges remain, such as the rapid evolution of the digital assets ecosystem. Therefore, by 2025, efforts will focus on improving monitoring mechanisms and continuously adapting the regulatory framework to address new risks that may arise, taking into account the expansion of participants in the supervised sector.

Success Story

CNAD is leading the creation of an International Organization of Digital Asset Supervisors, which will establish global standards for the regulation, tokenization, and supervision of digital asset ecosystems in the new global digital financial industry.

This achievement is an international recognition of the expertise and quality of the regulation and supervision exercised by the Commission, as well as its leadership in the sector.

Success Story

On May 23, 2024, President Juan Carlos Reyes met with President Lic. Roberto Silva and Vice President Licda. Patricia Boedo of the National Securities Commission (CNV) of Argentina, with the goal of strengthening collaboration on the supervision of the digital assets industry.

This alliance between CNAD and Argentina's CNV reflects the mutual commitment to improving the supervision and regulation of digital assets in Latin America, focusing on promoting the responsible adoption of emerging financial technologies and exploring avenues of cooperation that benefit both parties.



Effective Controls Against Money Laundering,

Terrorism Financing, and the Proliferation of Weapons of Mass Destruction



CNAD exercised strict and efficient

control and prevention of money laundering

risks in the digital assets industry.



The Commission has employed applicable laws, regulations, and other regulatory frameworks to the industry to monitor operations and adequately mitigate the risks to which Digital Asset Service Providers (PSAD) may be exposed.

This has allowed CNAD to ensure the safe growth of the market, with well-managed, sustainable, and stable entities so that investors and users can carry out transactions in a safe and transparent manner.

To prevent these risks, CNAD considers it essential that the current regulations are adhered to at all times and that international standards on the matter are observed, including:

<p>The Anti-Money Laundering Law</p>	<p>Guidelines from the Financial Intelligence Unit (UIF) of the Attorney General's Office (FGR)</p>
<p>The 40 recommendations of the Financial Action Task Force (FATF)</p>	<p>Internal policies of the entities.</p>

We carry out a supervision and monitoring process focused on:

- 1. Pre-registration and authorization of entities' registration in the public registry**
- 2. Supervision visits conducted under a risk-based supervision framework**

The objective is to ensure that participants in the digital ecosystem have robust controls that comply with current regulations and are designed and implemented based on the exposure to ML/TF/WMD risks, depending on the nature and operations of the business.

Success Story

The National Commission of Digital Assets adopted a supervision framework based on risk evaluation, prevention, and mitigation, aligned with international best practices, to measure and manage risks in the digital assets industry.

This approach allows CNAD to conduct effective and efficient supervision, strengthening trust and market integrity.

Institutional Philosophy of CNAD

“

Don't trust, verify and check

”

CNAD's Institutional Values

From the vision of CNAD's President, Juan Carlos Reyes, public institutions can and must be more efficient and competitive than private industry.

This principle has been embraced and adopted within CNAD as a guiding approach for fulfilling each task, goal, and strategic project undertaken. Adhering to the phrase “Don't trust, verify and check,” CNAD as a regulatory and supervisory body upholds the following values in its daily practice:

Our Vision

To be nationally and internationally recognized as a leading institution in the regulation and supervision of digital assets, contributing to positioning El Salvador as a reference for the adoption and use of innovative financial technologies, for the benefit of the population and economic development.

Our values

**Integrity, Collaboration, Innovation,
Inclusion, Responsibility,
Transparency**

Board of Directors



PRESIDENT AND DIRECTOR

Juan Carlos Reyes García. Consultant in complex challenges across a variety of industries and sectors. Specializes in governance, strategic management, entrepreneurship, technology, indigenous relations, energy, mining, and blockchain technology.

Passionate about education and entrepreneurship, he studied mining engineering at Laurentian University and holds a bachelor's degree in Physics and Mathematics as well as a second bachelor's degree in Computer Science. After leading his consultancy firm for 15 years, he pursued further education and earned a Master's degree in Management from Harvard.



JUAN CARLOS REYES GARCÍA

PRESIDENT
and Executive Director





DIRECTOR

Miguel Eduardo Serafin Flamenco. Lawyer and notary with more than ten years of experience in the supervision of the Financial System.

Educator with over fifteen years of experience in university teaching. An interdisciplinary professional with mastery of legal, technological, accounting, and financial tools, with experience in executive roles related to financial technology developments (Fintech), in both local and international markets.



MIGUEL EDUARDO SERAFÍN
FLAMENCO

DIRECTOR




DIRECTOR

César Alejandro Córdova Figueroa. Lawyer and notary with 12 years of experience in the private financial sector, advising companies in Guatemala, El Salvador, Honduras, and Brazil. With practical experience and multidisciplinary knowledge in corporate governance, regulatory analysis, and the application of international financial standards and procedures for the efficient operation of financial companies.

He also participated in the private sector advisory committee for drafting the mandatory insurance law proposal. He earned his Master's in Insurance Management thanks to the MAPFRE Foundation and the University of Salamanca.



CÉSAR ALEJANDRO CÓRDOVA
FIGUEROA

DIRECTOR

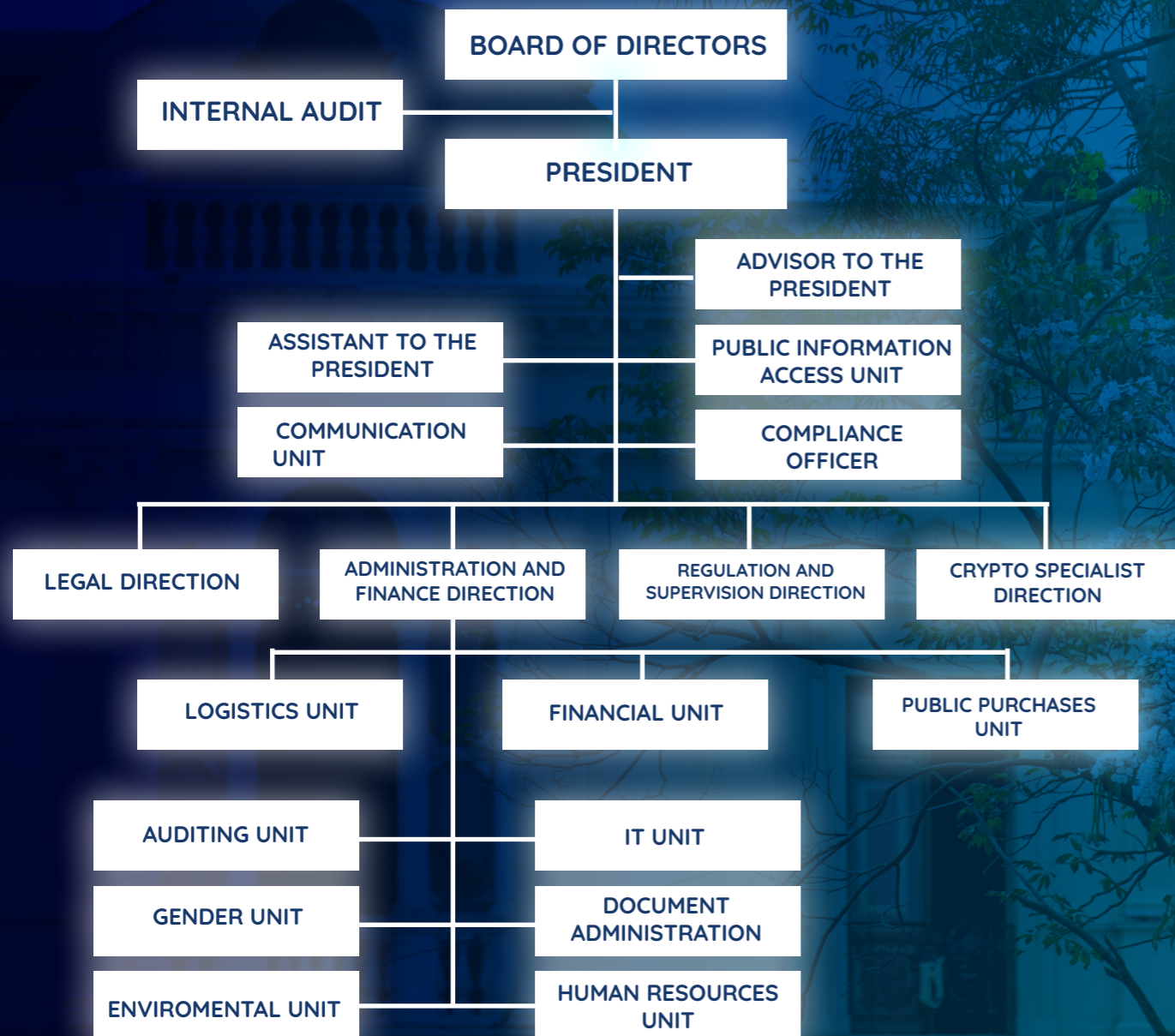


Organizational Structure

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Our organizational structure is a true reflection of **modern and efficient corporate governance**

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Board of Directors: The highest decision-making body. It is composed of three directors, representing the government and experts in digital assets. They make key decisions regarding regulation and policies related to digital assets in El Salvador.

Chairman of the Board: Leads the Board, directs meetings, and makes decisions on fundamental issues related to digital assets.

Technical and Specialized Areas: Experts in fields such as finance, technology, law, and supervision. They research, analyze, and propose measures related to the use and regulation of digital assets.

Supervision and Compliance Unit: Monitors companies and individuals working with digital assets to ensure compliance with regulations. It also has the authority to impose sanctions if violations occur.

Administration and Finance: Responsible for the administrative functioning of the commission.



COMISIÓN NACIONAL DE ACTIVOS DIGITALES