

## [Publications](#)

January 28, 2021

Digital Currencies: International Actions and Regulations

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## Developments Over Time

Date	Occurrence
02.20.2020	<p>The Financial Services Regulatory Authority has updated and expanded its guidance through amendments to its cryptoasset regulatory framework. The amendments change the terminology used in the framework from "crypto asset" to "virtual asset," a change that aligns with those descriptions used by the Financial Action Task Force (FATF) (see Financial Action Task Force (below)). The FATF recommendations are an international standard for regulation of crypto assets including KYC requirements, anti-money laundering and fraud prevention rules, and sanctions and screening controls.</p> <p>The amendments also overhaul regulations to move the applicable rules from a singular category to those respective to the underlying activities. This means that such assets can be regulated according to their idiosyncratic natures and not as a monolithic class. <a href="#">Source</a>.</p>
10.09.2017	<p>The Financial Services Regulatory Authority (FSRA) of Abu Dhabi issued guidance on the regulation of initial coin/token offerings (ICO) and digital currency as supplemental guidance to the existing <a href="#">2015 Financial Services and Markets Regulations</a> (FSMR). The guidance was directed at both issuers and intermediaries. FSRA indicated that it will determine if a token issued in an ICO would be regulated as a security on a case-by-case basis. A token deemed a security (Security Token) would be subject to regulation under the FSMR. Additionally, any market intermediaries dealing in Security Tokens and/or their derivatives will need to be licensed and approved by FSRA as Financial Services Permission holders, Recognised [sic] Investment Exchanges, or Recognised [sic] Clearing Houses. The Guidance also makes clear that, while spot trading of virtual currencies is not regulated under FSMR, derivatives are regulated as a type of Specified Investment under the FSMR. Consequently, any market intermediaries or market operators dealing in derivatives of virtual currencies will be subject to regulation under FSMR. Source no longer available.</p>

## Developments Over Time

Date	Occurrence
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01.01.2018 The 2018 Financial Law states that the purchase, sale, use, and possession of so-called 'virtual currency' are prohibited. "A virtual currency is one used by Internet users over the Internet. It is characterized by the absence of physical support such as coins, paper money, or payments by check or credit card."

Any violation of the provision is stated to be punishable in accordance with the laws and regulations in force. [Primary Source](#). [Secondary Source](#).

## Developments Over Time

Date	Occurrence
04.11.2019	According to media reports, national agencies are in consultation with cryptocurrency industry members regarding potential regulation and the evolution of cryptocurrency exchanges and 'ICOs' as forms of marketable securities are being studied by the CNV. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> . <a href="#">Tertiary Source</a> .
11.02.2017	Argentina's largest futures trading market, the Mercado de Termino de Rosario (Rofex) has been considering offering services to investors in digital currencies and plans to make an announcement by the end of 2017. Preliminary drafts for the services include offering custody services for Bitcoin and the ability for clients to use Bitcoin as collateral in futures trading. <a href="#">Source</a> .
07.10.2014	The Unidad de Información Financiera (UIF) issued a resolution requiring a wide range of financial institutions as well as profit and non-profit entities to report all transactions with virtual currencies on a monthly basis. Source no longer available. 05.29.2014 The Central Bank of Argentina issued a statement about the risks involved in the use of virtual currency, including volatility and fraud, and confirmed that it is not legal tender. Source no longer available.

## Developments Over Time

Date	Occurrence
11.2019	In November 2019, Austria established its Austrian Blockchain Centre (ABC) with the goal of exploring blockchain applications in finance, energy, logistics, public administration and the internet of things (IoT). <a href="#">Source</a> .
04.10.2018	Austria and 21 European nations signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
02.23.2018	The Austrian Finance Ministry is considering regulation for ICOs and cryptocurrencies based on existing trading rules for gold and derivatives. The current goals of the proposed legislation are curbing money laundering, combat terrorist financing, and subject trading platforms to the oversight and rules that exist for financial instruments, according to Austrian Finance Minister Hartwig Loeger. <a href="#">Source</a> .
11.14.2016	The Financial Markets Authority (FMA) of Austria issued a warning advising the country's consumers to exercise utmost caution in relation to virtual currencies, particularly when related to business and investment models based on virtual currencies. Further, the FMA explicitly advised consumers that such offerings are not subject to any form of regulation, and in particular are not subject to supervision by the FMA. Source no longer available.

Date	Occurrence
06.01.2016	The Financial Markets Authority (FMA) of Austria issued guidance on the regulation of alternative currencies and bonus points. When such products represent financial services, a license issued by the Financial Market Authority (FMA) is required. Products providing a means of payment may require a banking license and may be regulated as issuance of E-money. Source no longer available.
07.25.2014	Austrian ministers appear to have given conflicting guidance on the tax treatment of Bitcoin during a parliamentary Q&A session. The finance minister reportedly stated that Bitcoin is not a financial instrument, and that capital gains tax would apply to bitcoin holdings sold within a year of purchase, while the minister for science, research and economy reportedly referred to German policy recognizing bitcoin as a unit of account. Source no longer available.

## Developments Over Time

Date	Occurrence
11.02.2020	The Reserve Bank of Australia (the RBA) announced on November 2 that it had partnered with two private Australian banks and a blockchain technology company, Perpetual and ConsenSys Software, to research a CBDC using blockchain. Assistant Governor Michele Bullock said that the goals of the project are to explore efficiency, risk management, and innovation. The RBA expects to complete the project around the end of 2020 and plans to publish a collaborative report in the first half of 2021. <a href="#">Source.</a>
05.31.2019	In May 2019, the Australian Securities and Investment Commission (ASIC) issued updated guidance on initial coin offerings (ICOs) and crypto-assets. The guidance is limited to issues under the Corporations Act 2001 and the Australian Securities and Investments Commission Act 2001 and is predicated on an ICO or crypto-asset being deemed a "financial product." The questions it touches upon under these two laws include "what should you consider when offering crypto-assets through an ICO?," "what is misleading or deceptive conduct in relation to an ICO or crypto-asset?," "when could an ICO be or involve a financial product?," "when could a crypto-asset trading platform become a financial market?," "what about financial products that reference crypto-assets?," and "how do overseas categorizations of crypto-assets translate to the Australian context?" The guidance also provides reminders to different types of crypto-asset participants as to what, depending on the relevant facts and circumstances, their respective licensing responsibilities may be under the applicable Australian laws. <a href="#">Source.</a>
	AUSTRAC suspended two cryptocurrency exchanges after an investigation found the companies were being used for drug trafficking. This is the first suspension of cryptocurrency exchanges in the country since April 2018 legislation that added cryptocurrency exchanges to AUSTRAC's purview.
03.08.2019	AUSTRAC is Australia's intelligence agency tasked with monitoring financial transactions to identify money laundering, organized crime, tax evasion, welfare fraud, and terrorism. Digital currency exchanges are entities that exchange money (Australian or foreign currency) for digital currency, or vice versa. It is illegal to operate a digital currency exchange without registration. AUSTRAC can impose civil penalty orders, enforceable undertakings, infringement notices and remedial directions, among other enforcement actions. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a> <a href="#">Tertiary Source.</a>

## Date

## Occurrence

Australia's Digital Transformation Agency (DTA) cautioned other government agencies of the limitations of using blockchain technology to share and exchange information. In an advisory, The DTA, which worked in a cross-agency team to determine the suitability of blockchain technology for government services, discovered gaps in the technical and business aspects of technology when applied to trial projects and in comparison with different technologies.

- 02.18.2019 The gaps include additional risks encountered when using permissioned consortium blockchains, where leading users often control the blockchain. The DTA also noted that there is no default encryption for blockchains, and that data is available to all users regardless of whether a blockchain is private or public. The DTA suggested that agencies should halt their experimentation and prototyping and instead focus on real-world applications that use proven alternatives and are available for immediate use, adding that agencies should focus on the needs of their users and explore applications that will meet those needs. [Source.](#)
- 09.07.2018 The Australian Securities and Investments Commission (ASIC) released its corporate plan for 2018-2022. In the report ASIC detailed a new framework that included oversight of cryptocurrency exchanges and token sales. Cryptocurrency exchanges in Australia are already required to comply with new anti-money laundering and counter terrorist financing rules under AUSTRAC, the country's financial intelligence agency. The framework emphasizes greater cross-departmental collaboration on cryptocurrency issues and will apply regulatory principles to cryptocurrency exchanges that are similar to those that apply to conventional forms of market infrastructure. [Source.](#)
- 03.26.2018 The Australian Taxation Office (ATO) released a "community consultation" in which it called for public feedback on the issue of taxing cryptocurrencies to better understand the practical issues faced by taxpayers and to inform the government's approach to how it treats specific tax events.
- 12.07.2017 On December 7, 2017 the Australian Parliament passed amendments to the [Anti-Money Laundering and Counter-Terrorism Financing Act of 2006](#). Among other rules, the law as amended requires digital currency exchanges to: identify and verify their customers' identities; monitor and report large or suspicious transactions to the Australian Transaction Reports and Analysis Centre (AUSTRAC); register on the Digital Currency Exchange Register maintained by AUSTRAC; create a management protocol to identify, reduce, and manage money laundering and terrorism-financing risks; and keep certain records for seven years of transactions and customer IDs. The [amendments](#) will become effective 6 months following assent by the Governor-General. [Source.](#)
- 12.08.2017 The Australian Taxation Office updated its guidance on GST and digital currency to address tokens and ICOs. In particular, the guidance states that tokens that provide a right or entitlement to goods and services are not digital currency and may be subject to GST. [Source.](#)
- 10.18.2017 Australia approved legislation introduced on September 14 to remove the double taxation on digital currency, which is in-line with the 2017-18 budget released earlier this year. The new legislation will ensure that consumers who use digital currency will no longer pay goods and services tax (GST) on purchases of digital currency. Source no longer available.

Date	Occurrence
08.07.2017	<p>Australian senators from both major political parties announced that the Reserve Bank of Australia (RBA) should formally recognize bitcoin and other digital currencies as official forms of currency. This pressure from parliament follows the Tax Office's decision to stop treating digital currency as intangible property subject to goods and services tax, which effectively double taxes digital currency transactions. This change was revealed in the May 2017 release of the 2017-18 budget and took effect on July 1. This policy change and the recent pressure from parliament represent Australia's move to embrace digital currencies as "normal" currency. <a href="#">Source.</a></p>
03.20.2017	<p>Australia's securities and investments regulator, ASIC, released guidance on the use of distributed ledger technology (including blockchain) in financial services and financial markets. The guidance includes a framework to help the assessment of whether technology and risk management standards required by the regulator will be met. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a> <a href="#">Tertiary Source.</a></p>
04.01.2016	<p>The Australian Attorney-General's Department issued a Consultation Document stating that the government wants to begin drafting legislative proposals to regulate digital currencies by the middle of 2017. The goal is to begin finalizing that legislation in 2018. To that end the government solicited public comment on the proposal that looks to include digital money in the laws against money laundering. Source no longer available.</p>
03.30.2015	<p>The Australian Department of Treasury issued a white paper listing crypto-currencies, such as bitcoin, as a challenge in determining how to appropriately tax companies and could provide a company with the ability to relocate profits to minimize their taxes. Source no longer available.</p>
08.20.2014	<p>The Australia Taxation Office issued guidance on the tax treatment for Bitcoin. The ATO concluded that Bitcoin is neither money nor a foreign currency, but is an asset for capital gains tax purposes. However, capital gain or loss from using bitcoin to purchase goods or services for personal use or consumption will be disregarded, provided that cost of the bitcoin is \$10,000 or less. <a href="#">Source.</a></p>
06.09.2014	<p>Bank of Australia governor Glenn Stevens stated that, while virtual currencies pose regulatory questions, he believes that investors who are prepared to accept the risk in speculating in virtual currency should be allowed to do so. <a href="#">Source.</a></p>
06.24.2013	<p>Australian Taxation Office (ATO) confirms Bitcoin transactions are subject to goods and services (GST) and income tax and says that speculators should keep records for capital gains taxes and that bitcoin is expected to be means of electronic payment or money. <a href="#">Source.</a></p>

## Developments Over Time

Date	Occurrence
05.17.2019	<p>The Securities Commission of the Bahamas has presented a draft of a new bill that seeks to regulate non-security token offerings. The bill would create a process for registering these offerings with the government and providing important details of the offering to investors and government officials via a project memorandum. If significant changes are made to the project, the memorandum must be updated by the offering's sponsors. Registration would also require hiring a sponsor attorney to regularly communicate with the government about the offering. The law creates strong penalties for failing to comply, including a fine of \$500,000 or imprisonment for up to 5 years or a possible 10-year sentence if issuers file misleading registration information. The law would apply to token issuers, wallet providers, crypto exchanges, and individuals facilitating an initial token offering in the country. The draft bill is currently still in a public comment period. <a href="#">Source.</a></p>

## Developments Over Time

Date	Occurrence
12.14.2017	According to a news report, the notice states that "[t]ransaction [sic] with this currency may cause a violation of the existing money laundering and terrorist financing regulations." The notice states that bitcoin transactions "are not authorized by the Bangladesh Bank or any regulatory agencies, and do not conform with the provisions under the Foreign Exchange Regulation Act, 1947; Anti-Terrorism Act, 2009; and the Money Laundering Prevention Act, 2012." Also, according to the notice, online transactions of virtual currencies with any unnamed or pseudo named parties may cause a violation of the above legislation, and transactions through online networks involving cryptocurrency are not approved by any central payment system and as such people can be financially harmed and may face legal consequences. Source no longer available.
09.15.2014	Bangladesh Bank issued a warning against conducting transactions in cryptocurrency, and reportedly stated that such use is punishable by up to 12 years in jail. Source no longer available.

## Developments Over Time

Date	Occurrence
03.28.2018	On March 28, 2018, a decree signed in December 2017 by President Lukashenko legalizing cryptocurrencies, ICOs, and smart contracts came into effect. Additionally, exchanges can trade rubles for cryptocurrencies. <a href="#">Source.</a>
03.24.2018	The Belarus Ministry of Finance introduced accounting standards for cryptocurrencies, which categorizes different digital assets (including tokens and mined cryptocurrencies) and advises as to how they should be reported and how they will be taxed. Source no longer available.

## Developments Over Time

Date	Occurrence
04.10.2018	Belgium and 21 other European nations signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
06.16.2017	The National Bank of Belgium issued a report on the threat of digital currencies to monetary policy—concluding that "any threats to monetary stability caused by digital currencies issued by private players are rather limited at this point." <a href="#">Source.</a>
04.15.2017	Koen Geens, the Minister of Justice of Belgium, has announced his intention to subject virtual currency to the same strict regulation as currently applies to the ordinary financial sector. This marks the first such statement by the Belgium government. <a href="#">Source.</a>
09.22.2014	Federal Public Service Finance reportedly issued a statement that bitcoin trading transactions are not subject to VAT, however, its position is subject to change pending the position taken by the European Committee. Source no longer available.
01.14.2014	National Bank of Belgium (NBB) and Belgian Financial Services and Markets Authority (FSMA) warned investors that virtual currencies are not issued by a central bank; there is no current regulation; risks associated with security, hacking, and fraud; value fluctuates; exchange rate is variable; and they are not legal tender. <a href="#">Source.</a>
01.08.2014	NBB does not have plans for financial regulations to regulate Bitcoin (not an official position, but expressed in a meeting between the bank and industry reps). National Bank likely to issue warnings similar to those issued by the EBA and other European nations. Source no longer available.

Date	Occurrence
09.11.2013	Minister of Finance Koen Geens commented that Belgian National Bank does not object to Bitcoin, which was being used by only a handful of traders at this time, and that there was no indication that Bitcoin was being used for money laundering. Source no longer available.

## Developments Over Time

Date	Occurrence
07.2018	Several statutes relating to the regulation of digital assets became operative in the country, including: The Digital Assets Business Act; The Banks and Deposit Companies Amendment Act; The Companies and Limited Liability Company Amendment Act; and The Insurance Amendment Act. <a href="#">Source</a> .
04.2018	The Bermuda Monetary Authority released proposed regulation for initial coin offerings (ICOs) and other virtual currency activities on April 13. The proposed legislation addresses ICOs in detail, which would require potential issuers of ICOs to apply for consent to operate from the Minister of Finance. An application for consent would require the disclosure of information including corporate information of the entity planning the ICO, development and implementation plans for any product, service, or other project related to the ICO, amount intended to be raised through the ICO, timeline for the completion of the ICO, information related to the storage of identifying information of purchasers, and compliance and auditing protocols for token purchases. Source no longer available.
03.19.2018	Bermuda's Premier and Minister of Finance, David Burt, said in a statement before parliament's House of Assembly that his government intends to take a "measured" approach to regulating ICOs, the FinTech industry, and cryptocurrencies generally. He gave an overview of proposed ICO legislation, which would be in the form of amendments to the existing Companies Act of 1981 and the Limited Liability Company Act of 2016. The proposed bill would classify ICOs as "restricted business activities" and would require issuers of coins/tokens to obtain consent from the minister of finance before proceeding with a token sale. The application would require a token issuer to disclose certain company information and information about the digital asset being issued including what rights are conferred on the purchaser of a token. <a href="#">Source</a> .
11.22.2017	The Government of Bermuda announced it will begin to regulate virtual currency exchanges, coins and securitized tokens, in early 2018. The new regulation would include the activities of firms, operating in or from Bermuda, that use distributed ledger technologies (DLT) to store or transmit value. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
05.06.2014	The Central Bank of Bolivia banned any currency or coins not issued or regulated by the government, including a list of virtual currencies. The Bank's resolution states that citizens are prohibited from denominating prices in any currency that is not previously approved by its national institutions. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
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- As of August 1, 2019, the Brazilian tax authority (The Department of Federal Revenue of Brazil, or RFB) has begun requiring that all transactions involving cryptocurrencies must now be reported. As set forward in Normative Instruction RFB 1,888 / 2019, failure to make such filings can result in
- 08.01.2019 fine of 100 to 500 Brazilian Reals (\$25 to \$130) or from 1.5% to 3% of the amount of the unreported transaction. These reporting obligations apply not only to individual traders, but also to companies and brokers. The transaction types to which this reporting applies specifically include sales, purchases, donations, barter, deposits, and withdrawals. [Source.](#)
- 01.22.2018 Brazil's Securities Exchange Commission, Comissão de Valores Mobiliários (CVM) has determined that digital currency Niobium Coin (NBC) is not a financial asset. The CVM classified the coins as utility tokens, and therefore not subject to CVM regulatory oversight. This decision could set an important precedent in Brazil and create opportunities for coin issuers seeking to launch their ICOs in Brazil. The CVM has stated that virtual currencies are to be considered securities only when they pay interest or dividends to their investors, or when they allow for participation in company management through votes. [Source.](#)
- 11.19.2015 Brazil's House of Representatives held a public hearing to discuss a bill that would give the country's central bank oversight of digital currency activity in the country. [Source.](#)
- 04.07.2014 Brazilian tax authority requires reporting of bitcoin holdings and payment of capital gains taxes for holders of bitcoin over certain value thresholds. Source no longer available.
- 02.19.2014 Central Bank of Brazil says that virtual currencies are not "electronic currency" under Brazilian law. It warned that virtual currencies are not guaranteed or issued by a central authority, are not guaranteed by real assets, may be subject to volatility and total loss of value, can be used in illegal activities, and may be insecure due to the possibility of hacking. Finally, the Bank said that it was following the evolution of virtual currencies, and would consider adopting measures. Source no longer available.
- 10.09.2013 Brazil adopted Law No. 12,865, which specifically referenced regulation of electronic currency. While the definition of "electronic currency" appeared to cover virtual currency, the Central Bank of Brazil later distinguished electronic currency from virtual currency. Source no longer available.

## Developments Over Time

Date	Occurrence
04.10.2018	Bulgaria and 21 other European nations signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
11.20.2017	A Bulgarian court concluded that bitcoin is not legal tender. The Court stated that buying, selling and paying with bitcoin are not regulated by European law and are not subject to licensing requirements. Consequently, the Court concluded that these activities are not electronic money transactions subject to regulatory supervision of the Bulgarian National Bank. It further concluded that bitcoin and other cryptocurrency are not subject to the regulations under Article 3 of Bulgaria's Act on Markets and Financial Instruments. <a href="#">Source.</a>
04.02.2014	The Bulgarian Revenue Agency determined that income from the sale of bitcoin will be treated as income from sale of financial assets. Source no longer available.

## Developments Over Time



Date	Occurrence
06.19.2018	The National Bank of Cambodia, the Securities and Exchange Commission of Cambodia and the General-Commissariat of National Police in Cambodia released a joint statement stating that the propagation, circulation, buying, selling, trading and settlement of "Crypto Currencies" without obtaining a license from "competent authorities" is illegal. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
10.28.2020	Bank of Canada Governor Tiff Macklem gave an interview to Reuters in which he said that the central bank was going forward with its CBDC, the digital loonie. He said that the bank is moving from its proof-of-concept to a more executable program, but that he does not believe there is a need for the CBDC yet. He added that a coordinated global approach was necessary to successfully implement the digital loonie to reduce risk and prevent criminals from using the technology. <a href="#">Source</a>
06.01.2020	Canada's amendment to its anti-money laundering laws (described below on 06/25/2019) became effective 06/01/2020. Regulations made under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act require digital currency firms in Canada to be regulated as Money Service Businesses under the act. <a href="#">Source.</a>
01.16.2020	The Canadian Securities Administration has published Staff Notice 21-327 Guidance on the Application of Securities Legislation to Entities Facilitating the Trading of Crypto Assets to help entities determine situations where securities legislation may or may not apply. <a href="#">Source.</a>
06.25.2019	Canada has amended its anti-money laundering laws, creating new compliance and reporting obligations for crypto exchanges operating in the country. Under the new rules, Canadian and foreign exchanges operating in Canada must register as money services businesses with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and implement a full anti-money laundering compliance program. In addition, exchanges in the country must now record and report any cryptocurrency transaction of \$10,000 CAD or more to FINTRAC. <a href="#">Source.</a>
03.18.2019	Canada is considering new rules aimed at crypto trading platforms operating in the country. The Canadian Securities Administrators and the Investment Industry Regulatory Organization of Canada released Consultation Paper 21-402, seeking input from the industry as it considers the creation of a framework to regulate trading platforms operating in Canada or that have Canadian citizens as customers. <a href="#">Source.</a>
06.11.2018	The CSA released a staff notice that addressed the question of when an offering of tokens may or may not involve an offering of securities, following a prior staff notice that addressed how securities law may apply to virtual currency offerings (CSA Staff Notice 46-307, August 24, 2017). Staff Notice 46-308 provided an illustrative list of situations where tokens implicate securities law concerns under Canadian law. <a href="#">Source.</a>
12.08.2017	The Superior Court of Quebec sentenced Dominic Lacroix to two months in prison and levied a fine of \$110,000 CD for running virtual currency scam PlexCoin. <a href="#">Source.</a>
11.2017	The Bank of Canada has issued a discussion paper addressing whether a central bank should issue digital currency (CBDC) that could be used by the general public. Noting potential risks and benefits, the bank made several conclusions, including: Increasing contestability in retail payments is the most credible motivation to issue CBDC; Complete anonymity is undesirable because it could foster criminal activity; and Banks considering issuance of a digital currency should proceed cautiously and incrementally. <a href="#">Source.</a>

Date	Occurrence
11.02.2017	The Ontario Securities Commission (OSC) has granted regulatory relief to Toronto-based Funder, Inc. to allow Ontario's first regulated ICO/ITO. Specifically, Funder has been exempted from registering as a dealer, allowing it to carry out its ICO/ITO under existing exemptions in securities law. <a href="#">Source.</a>
09.06.2017	The British Columbia Securities Commission (BCSC) approved Canada's first registered cryptocurrency investment fund, and acknowledged in a statement that it views cryptocurrency investments as a new and novel" way to invest. The newly-registered Vancouver firm, First Block Capital Inc. will operate its fund in Ontario and British Columbia. <a href="#">Source.</a>
05.25.2017	The Bank of Canada stated that its experiment with blockchain, or distributed ledger technology, showed it is currently not compatible with operating the country's centralized interbank payment systems. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a>
02.23.2017	The Canadian Securities Administration (CSA) launched a regulatory sandbox for businesses launching new financial products, services and applications. The objects of this new initiative is to support an encourage innovation, according to the CSA Chair and President and CEO of the Autorité des marchés financiers. <a href="#">Source.</a>
08.18.2016	The central bank of Canada published a new working paper suggesting its researchers believe digital currency exchange rates will become less volatile should adoption increase. <a href="#">Source.</a>
11.13.2015	The central Bank of Canada's Senior Deputy Governor, Carolyn Wilkins, expressed the need for radical change in the approach regarding traditional finance and emerging technology at a speech at Toronto's Rotman School of Management. Concerning disruptive technologies such as distributed ledgers and bitcoin, Wilkins said "[w]e have to envisage a world in which people mostly use e-money, perhaps even one that's not denominated in the national currency, like Bitcoin." <a href="#">Source.</a>
06.19.2015	The Canadian Standing Senate Committee on Banking, Trade and Commerce released a report calling for limited regulatory control over digital currencies. <a href="#">Source.</a>
02.12.2015	Canadian province of Quebec clarifies provincial legislation to specify that virtual currency ATMs and online virtual currency trading platforms in Quebec must obtain licenses under the provincial Money-Services Business Act to operate in the province. Source no longer available.
08.2014	The Canadian central bank released a working paper examining the effects of competition between different cryptocurrencies and the exchanges. The authors conclude that there is no clear evidence that Bitcoin will keep its dominant position in the market, and that exchanges will be able to coexist and possibly compete on fees. <a href="#">Source.</a>
03.28.2014	The Canadian parliament passed a bill amending its money laundering and terrorist financing act. The act now applies to persons in Canada engaged in the business of dealing in virtual currencies, as well as persons outside of Canada that provide such services to customers in Canada. Source no longer available.
02.14.2014	The Canadian Federal Budget included a reference to intended legislation regarding anti-money laundering and anti-terrorist financing that would apply to virtual currencies. <a href="#">Source.</a>
05.20.2013	Financial Transactions and Reports Analysis Centre (FinTRAC) reportedly wrote to several prominent Bitcoin exchanges that they are exempt from Canadian money laundering laws. <a href="#">Source.</a>
04.26.2013	Canada Revenue Agency says barter transaction rules apply to use of Bitcoin for goods or services and are subject to tax. Also, Bitcoin bought or sold as a commodity is subject to capital gains taxes. <a href="#">Source.</a>

## Developments Over Time

**Date****Occurrence**

On June 5, 2019, the Cayman Islands Proceeds of Crime (Amendment) Law, 2019 was signed into law. As we have previously blogged, this law amends the Proceeds of Crime Law (2019 Revision) by broadening the powers and duties of the country's regulatory authorities, including the Financial Reporting Authority and the Anti-Money Laundering Steering Group, over financial due diligence and governance.

06.05.2019 At the same time, a new bill has been introduced that requires a narrow subset of Cayman Islands companies—those that carry out "virtual asset services"—to comply with the Know Your Customer (KYC) and related obligations set forth in the Anti-Money Laundering Regulations (2018 Revision). The definition of "virtual asset services" appears to exclude security and utility token issuers. Under the bill, a "virtual asset" means "a digital representation of value that can be digitally traded or transferred, and can be used for payment or investment purposes." Accordingly, those issuers may yet be able to retain the flexibility to adopt alternative vetting processes. [Source](#).

03.11.2019 The Cayman Islands Proceeds of Crime (Amendment) Bill, 2019 would amend the Proceeds of Crime Law (2019 Revision) by broadening the powers and duties of the country's regulatory authorities over financial due diligence and governance, including the Financial Reporting Authority and the Anti-Money Laundering Steering Group. The bill also lessens the burden for a person to be found guilty of "tipping off" wrongdoers that a report (similar to a Suspicious Activity Report) is made or is likely to be made, while providing a safe harbor for those who disclose information in pursuit of mandated legal disclosures.

Additionally, the bill would include the activities of a "virtual asset service" as a "relevant financial business"; entities that are relevant financial businesses under Cayman law have regulatory and reporting obligations. The bill defines a "virtual asset" as a "digital representation of value that can be digitally traded or transferred, and can be used for payment or investment purposes." [Source](#).

11.30.2018 The Cayman Islands Monetary Authority (CIMA) issued new guidance on the prevention and detection of money laundering and terrorist financing (2018 Guidance). Specifically, CIMA sought to amend a number of provisions in its 2017 AML guidance by updating its guidance for financial service providers (FSPs), such as regulated funds (e.g., mutual funds) and unregulated investment funds (e.g., private funds). The 2018 AMLR applies to private funds that are domiciled in the Cayman Islands due to their status as "exempted companies" under Section 4(4) of the Cayman Islands Mutual Funds Law. The new 2018 Guidance provides some explanation as to how a private fund domiciled in the Cayman Islands might be able to accept subscriptions in digital tokens as opposed to fiat currency. [Source](#).

**Developments Over Time****Date****Occurrence**

04.05.2019 Chile's Minister of Finance announced a proposed congressional bill that would provide new regulation for cryptocurrencies and the fintech industry. The proposed regulations are apparently intended to be proportional and take different business models into account, with the goal of combatting risks such as money laundering and terrorist financing. Separately, a Chilean antitrust ruling in April 2019 prohibited local banks from closing accounts of local cryptocurrency exchanges. [Source](#).

## Developments Over Time

Date	Occurrence
11.10.2020	<p>China Construction Bank Corp. (CCBC), one of China's largest banks, declined to move forward with its sale of a digital bond on a foreign exchange. As stated by CCBC executives the sale would have been the "first publicly listed debt security on a blockchain." As initially planned, the bond would have been arranged by the Labuan, Malaysia branch of CCBC and listed on the Fusang Exchange, an exchange that also facilitates cryptocurrency trading. Investors outside the country would have been able to buy the bond for as little as \$100, in cash or bitcoin. The bond would have rolled over every three months and paid annualized interest of Libor plus 50 basis points (approximately 0.75%). Though the listing was intended for a non-Chinese market, CCBC's withdrawal of the listing follows Chinese authorities banning bitcoin exchanges and cryptocurrency fundraising such as ICOs. <a href="#">Source</a>.</p>
11.10.2020	<p>Deutsche Bank published a report making predictions and recommendations for reinvigorating global economies that have suffered during the COVID-19 pandemic. The report took a definitive position that Central Bank Digital Currency (CBDCs) will replace cash.</p> <p>The report concluded that China (in addition to Sweden) is leading CBDC initiatives, given that the country has already started piloting a national e-currency.</p> <p>The report said that the two largest hurdles, which affect developed countries in particular, are low interest rates and privacy expectations. According to the report, these factors are less obstructive in developing economies, which is why China has an edge. <a href="#">Source</a>.</p>
05.30.2020	<p>China has expanded the scope of inheritance under its civil code to include virtual assets. Effective January 1, 2021, "virtual assets, such as bitcoins, [can] be inherited" as property if legally acquired by a natural person.</p> <p>Multiple Chinese courts have also ruled that virtual currencies, including Ethereum, are property. <a href="#">Source</a>.</p>
08.09.2019	<p>A recent report stated that China's central bank intends to issue a state-backed digital currency called DC/EP (Digital Currency/Electronic Payments) to seven entities - three banks, the Industrial and Commercial Bank of China, the Bank of China, and the Agricultural Bank of China; three technology companies, Alibaba, Tencent, and Union Pay; and an association of Chinese banks.</p> <p>The digital currency is designed to be used for payments currently managed in Renminbi, China's fiat currency. Of note, unlike decentralized cryptocurrencies like bitcoin, the DC/EP is reported to be centrally managed by China's central bank, which will control the digital currency's supply.</p> <p>China's central bank has denied the report. <a href="#">Source</a>.</p>

Date	Occurrence
04.12.2019	<p>The National Development and Reform Commission (NDRC), a state planning body that administers China's economy from a macroeconomic perspective, proposed adding cryptocurrency mining to its list of 450 wasteful and hazardous activities slated for elimination. The proposed ban is set to come into effect after a public comment period ending May 7, 2019. If implemented, Chinese authorities may begin the process of raising electricity prices for affected businesses to force them to either relocate or close. <a href="#">Source</a>.</p>
01.10.2019	<p>The Cyberspace Administration of China, the country's Internet regulator, published regulations applicable to blockchain information service providers, which the regulations define as entities that provide information services to the public—via websites or applications—based on blockchain technology. Among other requirements, the new regulations require blockchain information service providers to register with the government, verify the identities of their users, and keep records of all content on the platform for at least six months (and make such information available to law enforcement as required by law). Additionally, such providers are forbidden from allowing their platforms to be used to disseminate illegal content. If blockchain information service providers do not comply with this regulation, the provider may be warned, fined, or face criminal prosecution. <a href="#">Source</a>.</p>
08.24.2018	<p>Chinese regulators issued a warning against illegally raising funds through crypto token sales and trading tokens. The warning targets celebrity endorsements of token sales, overseas offerings into China, airdrops, and market manipulation. <a href="#">Source</a> no longer available.</p>
08.17.2018	<p>The China National Fintech Risk Rectification Office identified 124 overseas virtual currency exchanges that are accessible within the country and plans to block access to these platforms within the country. The Office will also permanently disable access to domestic websites and accounts on WeChat (a text messaging app) that provide virtual currency trading and token sale services. Additionally, Beijing's Chaoyang district government issued a notice that bans hotels, office buildings, and shopping malls from hosting events that involve "talks and promotion" or virtual currencies and tokens. <a href="#">Source</a>.</p>
06.28.2018	<p>The Internet Court of Hangzhou ruled a form of blockchain data to be admissible as evidence in the context of a copyright infringement case. <a href="#">Source</a>.</p>
03.29.2018	<p>The Chinese Institute of International Finance, under the People's Bank of China (PBoC), released a report indicating that the central bank will institute a regulatory crackdown on all types of virtual currencies in 2018. <a href="#">Source</a>.</p>
09.04.2017	<p>China has banned all companies and individuals from raising funds through ICO activities, reiterating that ICOs are considered illegal activity in the country. Several entities including the People's Bank of China (PBC), the China Securities Regulatory Commission, and the China Insurance Regulatory Commission, issued a joint statement announcing the ban. <a href="#">Source</a>.</p>
08.05.2017	<p>The People's Bank of China (PBOC) announced its plans to increase supervision and regulation of China's financial services industry, including large online financial businesses in its risk assessment system, the Macro Prudential Assessment (MPA). These business include P2P lenders, third-party online payment platforms, crowdfunding companies, and other financial services. In July, 45 Chinese financial firms agreed to join a payment-clearing platform called Wanglian, which will allow the PBOC to more closely monitor online payments. An internal PBOC memo indicated that all companies should join the platform by the end of June 2018. <a href="#">Primary Source</a>. <a href="#">Secondary Source</a>.</p>

Date	Occurrence
11.09.2016	China's central bank issued a recruitment ad (in Mandarin) published by the bank on Nov. 9 in connection with hiring blockchain experts to help it develop its own digital currency, Based on the information that has been released by the Central Bank, under this digital currency project the Central Bank would still retain control over the country's money supply. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
01.21.2016	The People's Bank of China (PBOC) is conducting a digital currency study and is reportedly considering issuing its own digital currency. <a href="#">Source</a> .
04.25.2014	Reports from a meeting with the People's Bank of China (PBOC) indicate that PBOC has warned banks to cease doing business with virtual-currency-related businesses. <a href="#">Source</a> .
12.17.2013	In wake of 12.05.13 PBOC statement, BTC China no longer accepts yuan. PBOC extends ban on accepting, using, or selling bitcoin to third party payment providers. Bitcoin remains legal,
12.18.2013	however, for individuals to use but without providers, is effectively impossible. <a href="#">Source</a> .
12.05.2013	PBOC says that bitcoin is not currency, that financial institutions and payment institutions cannot be involved in bitcoin-related transactions, websites exchanges that deal in bitcoin-related services need to register with appropriate regulatory agencies, PBOC will pay close attention to potential uses of bitcoin for money laundering, and PBOC will educate the public about the risks of using, trading, or dealing in bitcoin (specifically, the lack of a central authority that administers or provides redress). <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
05.13.2019	A representative in Colombia's Congress has presented a bill seeking to regulate companies specializing in cryptocurrencies to the Colombian legislature, with the goal of designing a regulatory scheme to protect potential victims of fraud. The bill would allow Colombia's Superintendent of Industry and Commerce to monitor the operation of the cryptocurrency exchange platforms. <a href="#">Source</a> .
04.01.2014	In a press release, the Colombian Central Bank indicates that bitcoin is not a currency, and cannot be used in connection with Colombia's exchange rate regime. <a href="#">Source</a> .
03.26.2014	Colombia's financial regulatory body issued a resolution prohibiting financial institutions from holding virtual currency. The release also discussed a number of risks associated with virtual currency. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
05.10.2020	The country's financial supervisor, Hrvatska agencija za nadzor financijskih usluga (HANFA), approved a bitcoin investment fund, managed by Griffon Asset Management. The decision also approved the state-owned bank HPB to serve as the depository. <a href="#">Source</a> .
10.16.2018	Croatia joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.

Date	Occurrence
12.18.2017	Croatia's Financial Stability Council issued a warning to potential investors about the volatility of virtual currencies. The warning stated that individual investors are responsible for any losses and may be subject to taxation on gains. The statement said that issuing and trading digital assets are not subject to regulation in Croatia and that such activities involve risks of digital wallet theft, transaction misuse, and fraud. Source no longer available.
12.16.2013	The Croatian National Bank indicated in an informal discussion that the use and sale of virtual currency would not be unlawful in Croatia. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
07.12.2019	Cuba is reportedly interested in using cryptocurrency to combat international sanctions against the country. While appearing on state-run television, President Miguel Diaz-Canel stated that cryptocurrency could be part of a collection of economic measures aimed at increasing income for Cuban residents through boosts in production and increased economic growth. It is unclear if Cuba will seek to create its own state-sponsored cryptocurrency or will use an existing cryptocurrency. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
06.04.2018	Cyprus joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
02.25.2014	Central Bank acknowledged that virtual currencies are not illegal, but reiterated earlier warnings about their use and exchange. <a href="#">Source.</a>
02.07.2014	Central Bank issues warnings like those of the EBA and Bank of France that virtual currencies have no guarantee of reimbursement, are inherently speculative, pose money laundering and other criminal activity risks, and are risky speculative investment vehicles. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
04.10.2018	The Czech Republic and 21 other European nations signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
09.16.2013	A guidance note from the Ministry of Finance of the Czech Republic's Financial Analytical Unit indicates that purchase and sale of virtual currencies in excess of 1,000 euros is subject to suspicious activities reporting under the Czech Republic's anti-money-laundering laws. Source no longer available.

## Developments Over Time

Date	Occurrence
06.10.2018	Denmark joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
	The Danish Assessment Board (Skatterådet) gave its ruling on March 25, 2014 in the case of SKM2014.226.SR (published on April 1, 2014).
	The board ruled that bitcoins are not considered an official currency for tax and VAT purposes, as bitcoin is not a currency that:
03.25.2014	<ul style="list-style-type: none"> <li>• Is regulated by the operators on the global currency markets</li> <li>• Is subject to regulation by a central bank</li> <li>• Can be withdrawn from circulation</li> <li>• Is affiliated to a state or currency area</li> </ul>
	Furthermore, fluctuation in the value of bitcoins is not taxable as gains or losses on currency covered by the Tax Act on Capital Gains and Losses on Debt and Claims. This conclusion is based on the description of the bitcoin system according to which purchase and ownership of bitcoins does not involve a debtor or creditor and, thus, neither a claim nor debt exists for tax purposes. <a href="#">Source.</a>
03.18.2014	On March 18, 2014, the Danish Central Bank issued a statement declaring that Bitcoin is not a currency. The Bank went on to explain, "Bitcoin does not have any real trading value compared to gold and silver, and thus is more similar to glass beads. The Danish Central Bank went on to point out that Bitcoins are not protected by any national laws or guarantees, such as a deposit guarantee. Source no longer available.
12.18.2013	Chief Legal Advisor to FSA says that most likely development will be to amend existing financial regulations to cover exchanges and to have money laundering regulations cover cryptocurrency transactions. A member of Parliament suggested, however, that this would be done on a European-wide basis, not just in Denmark. <a href="#">Source.</a>
12.17.2013	Financial Supervisory Authority (FSA) releases statement re: risks for cryptocurrencies: (1) losing money to exchanges, (2) theft from virtual wallets, (3) might not be able to exchange it for fiat currency, (4) rapid price fluctuation, (5) links to criminal activity and (6) taxes. FSA also provides that cryptocurrencies are not covered by existing regulatory framework for electronic money, currency exchanges, brokerages, or deposit services. They are unregulated electronic money and there is no permission needed to run an exchange there. Source no longer available.

## Developments Over Time

Date	Occurrence
01.08.2018	The Central Bank communication stated that cryptocurrencies are not banned, but they are not legal tender and are not an authorized means of payment for goods and services in Ecuador. Cryptocurrency ATMs have been installed in Ecuador from March 2018 onwards. <a href="#">Source.</a>
05.26.2015	Ecuador has mandated that all banks and "entities of the public, private, and cooperative financial sectors" must accept the country's digital currency within the next 360 days. Ecuador's official fiat currency is the U.S. dollar, and the digital currency under Ecuador's Electronic Currency System will be "equivalent and convertible to US dollars." Source no longer available.



Date	Occurrence
08.11.2014	Congress reportedly approved legislation to issue a digital currency for use alongside the U.S. dollar, which is currently the only legal tender in Ecuador. A monetary authority will be established to regulate the digital currency, which will be backed by liquid assets. <a href="#">Source.</a>
07.23.2014	Ecuador's Congress reportedly approved extensive reforms to its financial system providing for, among other things, the creation of a digital currency and financial regulation system controlled by the executive. In connection therewith, it reportedly also banned the issuance, promotion or circulation of all digital currencies. Source no longer available.

## Developments Over Time

Date	Occurrence
06.07.2019	A proposed new law for the Central Bank of Egypt (CBE) would prohibit the creation, promotion, or operation of platforms that issue or exchange cryptocurrency without obtaining required licenses. The bill, currently in draft form, would allow the Board of the CBE to promulgate rules governing the trading and dealing of cryptocurrency. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
04.10.2018	Estonia and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
11.06.2017	Estonia agreed to coordinate with fellow Baltic and EU-Member countries Latvia and Lithuania to develop capital markets in the Baltic region, which was memorialized between the ministries of the three countries in a Memorandum of Understanding. The agreement set forth the goals of stimulating investment, creating jobs, supporting economic and social convergence to help absorb economic shocks, all of which will be achieved in part by facilitating cross-border investments and dismantling burdensome investment barriers. <a href="#">Source.</a>
08.23.2017	Estonia proposed the launch of its own state-managed cryptocurrency, "estcoin," which would be launched using an ICO. Estonia has been quick to embrace digital innovation, and was the first country to offer a digital ID to non-Estonians that offers access to banking and other services. However, the European Central Bank (ECB) has been highly critical of Estonia's plan and indicated that it would not allow any member state to launch its own digital currency. <a href="#">Source.</a>
04.11.2016	Estonian Supreme Court Rules Against Bitcoin Trader. The Supreme Court decided to apply extra regulation to Bitcoin trading, including the requirement to meet customers in person as well as the requirement keep IDs of all customers and report those who trade more than 1,000 Euros more per month. This ruling not only applies to Bitcoin, it applies to all blockchain tokens and assets. <a href="#">Source.</a>
11.30.2015	The Estonian Supreme Court asked various government agencies and officials, including the Ministry of Finance, the Interior Ministry, the Estonian Central Bank and the Estonian Financial Supervision Authority, to answer questions regarding the government's stance on the legality of bitcoin as it considers arguments in a 2014 case filed by the operator of a bitcoin trading company, BTC.ee. Although the response was due by January 11, 2016, as of March 21, 2016 the Court has yet to publish its findings. <a href="#">Source.</a>

Date	Occurrence
03.2014	The Estonian Tax Authority stated that income derived from Bitcoin transactions constitutes capital gain subject to taxation. Source no longer available.
01.31.2014	Head of the Estonian central bank payment and settlement system expresses concerns in an email about risks associated with bitcoin, including the nature of the decentralized system and the potential for a Ponzi scheme. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
	The EU Blockchain Observatory & Forum published a report titled "EU Blockchain Ecosystem Developments," which provides an overview of technology, market, and regulatory developments in blockchain in 29 countries, including EU member states, Switzerland, and the UK. The report also discusses the future of blockchain in the EU and across the world. <a href="#">Source</a> .

In addition to individual country-level analyses, the team's study reached the following macro-level conclusions:

12.21.2020	<ul style="list-style-type: none"> <li>• The countries are at varying stages of development in blockchain and crypto-assets regarding (1) regulation and policy, and (2) business activity. This has led to market fragmentation and an uneven distribution of entrepreneurial and investment clusters.</li> <li>• Most European countries do not yet have specific and holistic regulatory or legislative frameworks for digital assets, including taxation laws. The tax treatment of cryptocurrencies is based on existing (not crypto-specific) legislation, and general principles and guidance from each national tax authority. Most countries' laws pertaining to AML and anti-terrorist financing apply to virtual currencies, despite not having specific legislation.</li> </ul>
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(See specific country updates herein for further detail.)

02.20.2020	The 5th EU Anti-Money Laundering Directive (AMLD 5) sets standards for Know-Your-Customer (KYC) and Anti-Money-Laundering (AML). In addition to other provisions, service providers such as financial institutions, notaries and lawyers are subject to the rules, New for the 5th Directive is that the directive covers virtual currency platforms and custodian cryptocurrency wallet providers. The restrictions cut down on anonymity in transactions and require various forms of identity verification. It imposes a September 10, 2020 deadline for Member States to create central registries which allow timely identification of any natural or legal person holding or controlling bank, savings, or safe deposit accounts. This information will be accessible by financial intelligence units (FIU) and particular national authorities. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
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A "virtual currency" is defined as a "digital representation of value that is not issued or guaranteed by a central bank or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money, but is accepted by natural or legal persons as a means of exchange and which can be transferred, stored and traded electronically;"

"Custodian wallet provider" is defined as "an entity that provides services to safeguard private cryptographic keys on behalf of its customers, to hold, store and transfer virtual currencies."

Date	Occurrence
09.07.2017	The European Central Bank (ECB) President Draghi has rejected Estonia's plans to launch its own state-run digital currency, "estcoin," and indicated that the ECB would not allow Estonia or any other EU member state to introduce its own currency. The basis for the criticism is the ECB's position that cryptocurrencies in general could erode the bank's control of the supply of money. <a href="#">Source.</a>
02.02.2016	EU ministers met in December following the terrorist attacks on Paris and agreed to tighten checks on payment methods used by terrorist organizations. The European Commission is currently conducting a risk assessment on terrorist financing and money laundering, paying particular attention to virtual currencies. Documents recently released indicate the Commission will propose stricter rules involving virtual currencies and prepaid cards by June 2016. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a>
11.01.2015	European Court of Justice ruled that the value-added tax (VAT) will not apply to purchases of bitcoin through exchanges. This ruling flows from a VAT provision for excepts related to currency, bank notes and legal tender. <a href="#">Source.</a>
10.01.2014	Europol issued an internet organized crime threat assessment, which examines the various technologies and services used by cybercrime organizations. The assessment includes a discussion of the use of virtual currencies, including Bitcoin, in laundering the proceeds of cybercrimes. <a href="#">Source.</a>
07.28.2014	The European Commission indicated that it will impose anti-money laundering and anti-terrorist financing rules on virtual currencies. Source no longer available.
07.22.2014	Sweden reportedly asked the European Union to provide definitive rules on the VAT treatment of cryptocurrencies, expressing concern over the inconsistencies in approach among member states. <a href="#">Source.</a>
12.12.2013	European Banking Authority (EBA) warns consumers on virtual currencies because (1) consumers can lose value, (2) can be stolen from virtual wallets, (3) EU refund rights do not protect, (4) value can change quickly, (5) can be used for criminal activity, including money laundering, and (6) consumers may be subject to tax liability. Source no longer available.
10.29.2012	The European Central Bank releases a detailed report regarding virtual currency and its potential for regulation under EU regimes. <a href="#">Source.</a>

## Developments Over Time

07.07.2020	The Financial Action Task Force (FATF) released a review of the implementation of its revised Standards on virtual assets and virtual asset service providers, 12 months after they were finalized. <a href="#">Source.</a>
06.21.2019	FATF announced on June 21 that it adopted and issued an Interpretive Note to further clarify the standards for international regulation of digital assets. These standards, though nonbinding, are intended to prevent misuse of digital assets for money laundering, terrorist financing, and financing of proliferation of weapons of mass destruction. In relevant part, the FATF states that countries should require crypto businesses to "obtain and hold ... accurate originator information and ... beneficiary information and submit the information to the beneficiary institutions," which mirrors FinCEN's existing "travel rule." The FATF will monitor implementation of the new requirements over a one-year period. Source no longer available.

- FATF published the outcomes of its Plenary meeting. Included in the outcomes of the meeting were new recommendations related to the regulation of virtual currency (the 2018 Virtual Currency Recommendations). In addition to the 2018 Virtual Currency Recommendations, FATF announced that it will be publishing rules for international cryptocurrency regulation in June 2019 to encourage countries to "take coordinated action to prevent the use of virtual assets for crime and terrorism." While the future guidance is in development, FATF recommends that all jurisdictions should
- 10.19.2018 "urgently take legal and practical steps to prevent the misuse of virtual assets," to include applying risk-based Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regulations to virtual asset service providers and risk-based monitoring and supervision of these entities. Virtual asset service providers, according to the 2018 Virtual Currency Recommendations, include crypto-crypto and crypto-fiat exchanges, the transfer on behalf of a person of a virtual asset from one virtual asset address or account to another, the safekeeping or administration of virtual assets, and the participation in and provision of financial services related to the offer and sale of a virtual asset. [Source.](#)
- 07.2018 The FATF President briefed Finance Ministers and Central Bank Governors of the G20 on money laundering and terrorist financing risks related to crypto assets and the work FATF intends to undertake under the US Presidency. The G20 asked the FATF to clarify in October 2018 how its standards apply to crypto assets. [Source.](#)
- 06.2014 FATF issued a report defining key terms associated with virtual currencies and describing the AML and terrorist financing risks associated with them. The report also provides examples of key law enforcement actions involving virtual currency. [Source.](#)

## Developments Over Time

Date	Occurrence
04.10.2018	Finland and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. <a href="#">Source</a> no longer available.
11.22.2017	Finland's Financial Supervisory Authority (FSA) issued a warning that initial coin/token offerings (ICOs/ITOs) and cryptocurrencies are risky and highly speculative investments. The FSA warned consumers of the volatile price of bitcoin and other digital currencies citing the European Banking Authority (EBA)'s 2013 publication on the risks of cryptocurrencies. Noting growing interest in ICO/ITOs, the FSA listed several risks associated with token sales, including fraud, loss of capital, price volatility, inadequate information, and technology risks. The FSA also cautioned potential ICO/ITO issuers to be aware of existing regulatory requirements. <a href="#">Source.</a>
11.19.2014	The Finnish Central Board of Taxes judged Bitcoin to be a financial service in ruling 034/2014, making Bitcoin exempt under the EU VAT directive. <a href="#">Source.</a>
01.19.2014	Bank of Finland says, through interview with head of oversight Paeivi Heikkinene, that Bitcoin is not "currency" or a "payment instrument," but is "more comparable to a commodity." <a href="#">Source.</a>
08.28.2013	The Finnish Tax Authority released tax interpretations regarding bitcoin, indicating that capital gains treatment would be given to an exchange of bitcoin for another currency, but that losses would not be deductible. <a href="#">Source.</a>
09.12.2012	In television interview, Finnish Central Bank says that bitcoins are legal and can be invested in and used however people would like. There are no guarantees, however, that unregulated virtual currencies can be exchanged back into traditional money. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
12.09.2020	<p>On December 9, the French Ministry of Finance announced that it would be proposing new AML/CFT rules for companies that facilitate digital asset trading with French customers. The new requirements would, among other things, impose AML/CFT requirements on businesses that offer trading services for digital assets to other digital assets (so called "crypto-to-crypto" exchanges). Notably, the legislation imposes the same requirements on crypto-to-crypto exchanges as those currently imposed on digital asset to legal tender service providers (so called "crypto-to-fiat" exchanges). The AML requirements also include a prohibition on the use of anonymous accounts for trading on crypto-to-crypto exchanges. At the heart of the proposed regulation is a desire to better harmonize the French AML framework with FATF principles and to respond to new risks presented by the use of digital assets in France. <a href="#">Primary Source</a>. <a href="#">Secondary Source</a>.</p>
03.08.2020	<p>A French court (Nanterre Commercial Court) has classified a bitcoin loan as a consumer loan, classifying BTC as a fungible and consumable intangible asset in the same way as legal tender. <a href="#">Source</a>.</p>
04.11.2019	<p>On April 11, 2019, the French National Assembly adopted the Plan d'Action pour la Croissance et la Transformation de Entreprises (PACTE – Action Plan for Business Growth and Transformation) that, once enacted, will establish a framework for cryptocurrency-based fundraising and for digital asset services providers. If blockchain companies opt into the regulation, that is, they meet certain requirements to obtain a "visa" or license with the country's financial markets overseer, then this new law grants these companies the right to a bank account and places the burden on the banks to explain why they will not serve a particular business. Businesses that opt not to obtain a visa or license will be prohibited from solicitation, patronage, and sponsorship activities. Source no longer available.</p>
11.14.2018	<p>French Finance Minister Bruno Le Maire announced that the country will tax corporate entities 30% on cryptocurrency gains beginning in 2019. In a speech delivered at the annual conference of France's financial markets regulator, Le Maire said that the tax will be imposed only when exchanging cryptocurrency to Euros; like-kind exchanges of cryptocurrency would not trigger the tax. The tax changes will also include a tax-free personal exemption of €305 (\$345) and a shift from monthly to annual reporting requirements. <a href="#">Source</a>.</p>
09.24.2018	<p>The French National Commission on Informatics and Liberty (Commission nationale de l'informatique et des libertés - CNIL) released guidance for applying the General Data Protection Regulation (GDPR) to blockchain technologies. In light of the issues it raises, CNIL's report is likely to be the first of many studies, interpretations and analyses of the applicability of the GDPR to the blockchain. <a href="#">Source</a>.</p>
04.26.2018	<p>The French Council of State announced that it has changed the tax rate of cryptocurrency sales from 45 to 19 percent because of a reclassification of cryptocurrencies, which will now be considered movable property. The exception to this classification are coins earned directly from mining operations, which will be taxed as income. <a href="#">Source</a>.</p>
04.10.2018	<p>France and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.</p>

Date	Occurrence
03.19.2018	<p>In an opinion piece, France's finance minister Bruno Le Maire indicated that the country is planning to launch a legal framework for ICOs, and that an action plan would be proposed to the French government in March or April. The proposal would give French market regulator Autorité des archés financiers (AMF) the ability to grant authorization to companies to issue coins/tokens in ICO/token sales, provided the companies meet certain criteria focused on investor protection. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a></p>
01.16.2018	<p>The French minister of the economy announced the creation of a working group charged with drafting proposed cryptocurrency regulations. Former deputy governor of France's central bank, Jean-Pierre Landau, will head the group. Among the goals of the working group are establishing more control over the development of new financial products related to cryptocurrencies, and to prevent the use of cryptocurrencies in tax evasion, money laundering, and the funding of terrorism and other criminal activity. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a></p>
12.08.2017	<p>France has passed new laws to allow banks and fintech companies to create platforms where unlisted securities can be traded instantly. France's Finance Minister released a statement saying that this will allow for the development of new trading platforms and transactions that are faster, cheaper, more transparent, and safe. Securities listed on exchanges will still need to pass through custodians and clearing houses. <a href="#">Source.</a></p>
12.15.2016	<p>France's Central Bank (The Banque de France) issued a press release indicating that it has tested the blockchain technology for hypothetical use in the management of SEPA Credit Identifiers, or identification markers used to establish the identity of creditors within the Single Euro payments Area. <a href="#">Source.</a></p>
07.23.2014	<p>The French Senate released a report focusing on the type of regulation the government should apply on bitcoin transactions. and refers to Bitcoin as a type of virtual bartering tool, and calls cryptocurrencies a "long-term trend raising important legal and economic matters, that can no longer be disregarded by public authorities."</p>
07.11.2014	<p>The finance ministry reportedly announced that it plans to implement customer identity verification rules for bitcoin distributors and other platforms by the end of the year. It also reportedly implemented tax rules classifying bitcoins as property subject to capital gains and asset taxes. <a href="#">Source.</a></p>
07.07.2014	<p>Police reportedly shut down a bitcoin exchange operating illegally in France, seizing 388 bitcoins in the process. The site's operators are reportedly being examined on potential charges of illegal banking, money laundering and operating an illegal gambling website. <a href="#">Source.</a></p>
06.23.2014	<p>The senate committee on finance heard testimony on the issues raised by the development of Bitcoin and other virtual currencies. The committee concluded that the rise of virtual currencies is a long-term trend that can no longer be disregarded by public authorities. It further noted that despite its risks, bitcoin offers multiple opportunities for the future and that public authorities should work on a balanced regulatory framework. Source no longer available.</p>
07.07.2014	<p>Police reportedly shut down a bitcoin exchange operating illegally in France, seizing 388 bitcoins in the process. The site's operators are reportedly being examined on potential charges of illegal banking, money laundering and operating an illegal gambling website. <a href="#">Source.</a></p>
06.23.2014	<p>The senate committee on finance heard testimony on the issues raised by the development of Bitcoin and other virtual currencies. The committee concluded that the rise of virtual currencies is a long-term trend that can no longer be disregarded by public authorities. It further noted that despite its risks, bitcoin offers multiple opportunities for the future and that public authorities should work on a balanced regulatory framework. Source no longer available.</p>

Date	Occurrence
04.25.2014	The French Ministry of Economy stated that revenue from sales of virtual currency is taxable income. The French Banking Federation indicates that wiring revenue from the sale of virtual currency to a personal bank account may require the bank to file a declaration with the French anti-money-laundering agency. <a href="#">Source.</a>
12.05.2013	Bank of France warns about risks associated with virtual currencies: (1) security risks, (2) absence of central regulatory authority, (3) speculation and huge volatility, (4) legal risk, and (5) use of currencies for illegal and illicit activities. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
02.23.2020	The Group of Twenty (G20) nations affirmed their desire for countries to implement the recently adopted Financial Action Task Force (FATF) standards. <a href="#">Source.</a>
07.14.2019	G20 nations expressed commitment to align their countries' AML regulations with the forthcoming FATF standards discussed above. A communiqué released by the G20 finance ministers and central bank governors expressed concern regarding crypto asset risks, including risks related to consumer and investor protection, AML, and countering the financing of terrorism. They expressed appreciation for the International Organization of Securities Commissions' recent focus on investor protection and market integrity as they relate to crypto-asset trading. The communique also referenced the work the Financial Stability Board has been doing in the crypto space, calling on it and other standard setting bodies to "monitor risks and consider work on additional multilateral responses." <a href="#">Source.</a>
12.01.2018	A joint declaration was signed by G20 member nations at the G20 Leaders' Summit in Buenos Aires, Argentina. Among other things, the declaration addressed the topic of the digital economy and virtual currency. First, the declaration acknowledged the risks posed by emerging digital technologies, including virtual currencies, related to money laundering and terrorist financing. All G20 nations agreed that virtual currencies should be regulated pursuant to standards promulgated by the Financial Action Task Force (FATF), an independent inter-governmental body that develops policies to protect the global financial system against money laundering, terrorist financing, and the financing of proliferation of weapons of mass destruction. <a href="#">Source.</a>
07.16.2018	The Financial Stability Board (FSB) published a report addressed to the G20 on the work of the FSB and standard-setting bodies with respect to crypto-assets. The FSB noted that it did not believe crypto-assets pose a material risk to global financial stability at this time and recognized the need for vigilant monitoring. In connection with the report, the FSB outlined a framework it created in collaboration with the Committee on Payments and Market Infrastructures (CPMI), to monitor the financial stability implications of developments in crypto-asset markets. <a href="#">Source.</a>

Date	Occurrence
03.19.2018	<p>Following several G20 meetings held March 20-21, international economic leaders issued a statement (communiqué) seeking proposed cryptocurrency regulations by July 2018. The first G20 meetings began in December 2017 as precursors to the G20 Summit, scheduled to take place November 30 - December 1, 2018 in Buenos Aires. The communiqué suggested agreement among the members that cryptocurrencies need to be examined across the world, but it stopped short of calling for a regulatory crackdown. The members expressed a belief that the technological innovation underpinning cryptocurrencies is of great value to the worldwide financial system, but noted concerns about consumer and investor protection, risks of money laundering and funding terrorist activity, tax evasion, and volatility and stability of cryptocurrencies. The communiqué took the position that cryptocurrencies should more appropriately be considered assets, not currency, and regulation should flow from that position. Some countries, including Brazil and the UK, did not agree with that position, and asserted that cryptocurrencies would not be regulated according to such an approach. <a href="#">Source</a>.</p>

## Developments Over Time

Date	Occurrence
11.12.2020	<p>In November, the German parliament released draft legislation that would permit the issuance of electronic bonds, including those issued as security tokens on a blockchain. The bill removes the requirement of a paper-based note and replaces it with the entry of the "e-Security" into a supervised digital register. The register may be decentralized, to permit the issuance of blockchain-based digital securities, or it may be a central register that must be run by a licensed central securities depository. The registrar license is separate from the license required for the provision of custody services for crypto assets. The proposed legislation would permit traditional securities to be exchanged for e-Securities and vice versa. <a href="#">Source</a>.</p>
02.21.2020	<p>BaFin has released additional guidance in clarification of its authorization requirements for use of crypto-tokens as financial instruments for the purposes of securities. Cryptocurrency issuers, no matter where they are based, are required to get a license from the regulator. <a href="#">Source</a>.</p>
07.24.2019	<p>Beginning January 1, 2020, cryptocurrency exchanges and wallet providers will need to obtain licensure from BaFin. Cryptocurrency businesses must comply with existing German anti-money laundering regulation. Note that this requirement relates to any entity, including overseas entities, that target German customers. <a href="#">Source</a>.</p>
05.20.2019	<p>On May 20, 2019, the Federal Financial Supervisory Authority of Germany (BaFin) published new guidance on "tokenisation." The guidance provides a summary of the German securities laws and what may qualify as a "capital investment," which is regulated under one regime, and as a "security," which is regulated under another. The guidance also provides explanations of how tokens may be treated under the applicable German laws depending on the tokens' characteristics, including mutability. Finally, the guidance, through an announcement, provides an example of how the novelty of tokens are affecting German regulation of financial products by announcing that BaFin had approved its first securities prospectus for a security token. BaFin explained that in January 2019, it had initially approved the prospectus when the product was designed as a registered bond (i.e., a capital investment), which would have placed the product under the German capital investment legal regime. However, because of the elements of blockchain technology, BaFin determined that a capital investment tokenized in that way had to be classified as a security under the German securities legal regime, and therefore it required that the issuer register its prospectus under the German securities law. <a href="#">Source</a>.</p>



Date	Occurrence
04.10.2018	Germany and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
12.2017	The Austrian and German governments are funding a research effort focused on the use of digital currencies in organized crime.: "BitCrime". The initiative, is split into two sub-projects: (1) the German sub-project, primarily supported by the German Federal Ministry of Education and Research, and (2). the Austrian sub-project, backed primarily by the Austrian Federal Ministry for Transport, Innovation and Technology, the Austrian Institute of Technology, and the Federal Ministries of Finance and the Interior. <a href="#">Source.</a>
11.15.2017	Germany's Federal Financial Authority (BaFin) released a statement warning consumers of the risks of initial coin offerings (ICOs). The authority considered ICO/ITOs a highly speculative form on investment not subject to currency market regulations. <a href="#">Source.</a>
09.20.2017	The Deutschebank Bundesbank expressed its skepticism about bitcoin and other digital currencies as "trustless" currencies, saying they are not ultimately feasible. Delivering a keynote speech at the Official Monetary and Financial Institutions Forum (OMFIF), a member of the executive board of the Bundesbank indicated that virtual currencies are a fabrication, by virtue of how they are transferred peer-to-peer and based on the bank's opinion that they have no intrinsic value. Source no longer available.
05.23.2014	The German Ministry of Finance has reportedly published a letter ruling that the commercial sale of bitcoin is a "miscellaneous service." Retailers accepting bitcoin would be taxed on the sale of goods and upon selling any bitcoins they accept in purchases. <a href="#">Source.</a>
12.19.2013	BaFin releases an overview of risks related to virtual currency, and indicates that commercial use of BTC may require licensure and permitting in certain circumstances. <a href="#">Source.</a>
08.19.2013	German Finance Ministry says that virtual currency is not e-money or foreign currency but is still a financial instrument under German banking rules. Virtual currency is therefore more akin to "private money" that can be used in "multilateral clearing circles" (suggesting that virtual currency would be taxed as capital). <a href="#">Source.</a>
12.22.2011	BaFin (German financial supervisory authority) says that Bitcoins are exempt from definition of e-money because they are not tied to legal tender currency. Instead, it is a commodity subject to taxation. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
01.22.2017	The Central Bank of Ghana (BOG) has issued a Notice to banks and the public warning against the use of digital currencies. The BOG stated that digital currencies are not licensed under the country's Payments Systems Act of 2003 and encouraged the public to only conduct business with licensed institutions subject to the BOG's oversight. The BOG recognized the evolving electronic payments environment and indicated that parliament would consider a revised Payments System Act in early 2018. Source no longer available.

## Developments Over Time

Date	Occurrence
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Gibraltar's legislature published draft legislation, which incorporates distributed ledger technology (DLT) into its existing Financial Services Regulations. The new rules, which are planned to take effect in January 2018, are directed at firms offering blockchain services including cryptocurrency exchanges, but will cover any commercial use of DLT for storing or transmitting value. Under the new framework, a firm offering DLT services would need to apply for a working license, which would be granted provided it conforms to several regulatory standards, including protection of consumer assets, robust cybersecurity, and transparency. Source no longer available.

10.12.2017  
08.02.2017 The Gibraltar Stock Exchange (GSE) announced its plan to "fully integrate" the use of blockchain into its operational processes. Details of the plan haven't been unveiled yet, but the GSE indicated that it has partnered with fintech firm Cyberhub Fintech. [Source](#).

## Developments Over Time

Date	Occurrence
05.23.2018	Greece joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. <a href="#">Source</a> .
02.11.2014	Bank of Greece adopted the EBA's warnings to consumers regarding virtual currencies. <a href="#">Source</a> .

## Developments Over Time

[See Denmark, above](#); autonomous country but under Kingdom of Denmark.

## Developments Over Time

Date	Occurrence
03.28.2019	The Securities and Futures Commission of Hong Kong released a statement reminding investors of the legal and regulatory requirements applicable to security token offerings (STOs) in the administrative region. The letter also notes risks associated with virtual assets, including STOs. <a href="#">Source</a> .

Date	Occurrence
11.01.2018	<p>The Securities and Futures Commission (SFC) of Hong Kong released a statement announcing its plan to regulate virtual asset portfolio managers, virtual asset fund distributors, and a plan for a regulatory "sandbox" to allow the SFC to study platforms trading in virtual assets. The SFC noted that it does not perceive virtual assets as a risk to financial stability but that investing in virtual assets poses significant investor protection risks that the Commission seeks to address. Under the existing regulatory framework, the SFC only has jurisdiction to regulate virtual assets where they fall under the definition of a "security" or "futures contract." Consequently, certain firms (i.e. virtual asset portfolio managers and virtual asset fund distributors) investing in virtual assets do not fall under the purview of SFC regulation. Going forward, the SFC intends for these firms to be licensed or registered with the SFC, regardless of whether the virtual assets are considered to be securities or futures contracts.</p>
	<p>For virtual asset trading platforms, the SFC said that it will establish a regulatory "sandbox" in which platforms will not require licensure to operate. The SFC's purpose for this framework is purely observational, to determine whether virtual asset trading platforms are appropriate for SFC regulation, based on whether the SFC believes it can effectively provide protection against risks to investors. After the exploratory phase, if the SFC determines that regulation is suitable, it would likely propose a licensing scheme with standards of conduct comparable to the standards for existing providers of automated trading services. <a href="#">Source.</a></p>
03.19.2018	<p>Hong Kong's Securities and Futures Commission (SFC) has ordered the shutdown of an ICO by Black Cell Technology and directed the return of funds to investors who have purchased the tokens. The SFC was prompted to halt the operations over concerns that Black Cell had engaged in potentially unauthorized promotion of the ICO and unlicensed regulated activities. <a href="#">Source.</a></p>
11.11.2016	<p>The Hong Kong Monetary Authority (HKMA), in partnership with the Hong Kong Applied Science and Technology Research Institute (ASTRI) published a white paper on distributed ledger tech. The paper presents blockchain as a tool that "carries enormous potential" depending on the kind of application but highlights that from the regulatory perspective, risks remain. <a href="#">Source.</a></p>
03.25.2016	<p>A senior Hong Kong official indicated, in response to a question submitted during a meeting of the Legislative Council of Hong Kong, that the government does not see a need for legislation that would regulate or ban bitcoin activities. The statement indicated that bitcoins are not a legal tender, and their value is not backed by any physical items, issuers or the real economy. <a href="#">Source.</a></p>
02.11.2015	<p>The Hong Kong Monetary Authority issued a statement warning the public about the risks involved in virtual currency trading after a bitcoin exchange allegedly stole its clients' funds. The statement also stated that Bitcoin is a virtual "commodity" and not legal tender. <a href="#">Source.</a></p>
01.09.2014	<p>Secretary for Financial Services and the Treasury says that there are high risks in exchanging, trading, and holding bitcoin; there are no physical currency guarantees; and its value is highly speculative. Also suggested that Hong Kong was monitoring the virtual currency market and was particularly concerned about money laundering. Source no longer available.</p>

## Developments Over Time

Date	Occurrence
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- 02.18.2019 Hungary joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
- 12.20.2016 The National Bank of Hungary (MNB) issued a public statement warning citizens who use or invest in cryptocurrencies such as bitcoin, citing their unregulated nature amid increasing instances of high-return investment schemes abusing the cryptocurrency. The warning also reminded users that there is no institution guaranteeing the execution of a transaction or the reimbursement of payment. [Source.](#)
- 02.19.2014 National Bank of Hungary warns about the use of virtual currencies, including that they are not issued or guaranteed by a central authority, the possibility of loss of value or theft, their volatility, and the inability to seek recourse or refund. Source no longer available.

## Developments Over Time

- | <b>Date</b> | <b>Occurrence</b>   |
|-------------|---|
| 12.19.2013  | Icelandic Exchange Act applies to bitcoin exchanges, and bitcoin is not exempt as a good or service. Therefore, one cannot engage in foreign exchange that involves the electronic currency, bitcoin. <a href="#">Source.</a> |

## Developments Over Time

- | <b>Date</b> | <b>Occurrence</b>   |
|-------------|---|
| 05.22.2020  | The Reserve Bank of India (RBI) has clarified that "no prohibition exists" on banks servicing the cryptocurrency sector. Source no longer available.  |
| 03.04.2020  | The Indian Supreme Court has struck down a ban on cryptocurrency trading by the country's central bank (the RBI). The decision overturned a 2018 ruling by the RBI which prohibited Indian banks from dealing with cryptocurrency exchanges over "concerns of consumer protection, market integrity and money laundering, among others." <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a>  |
| 02.24.2020  | India's policy think tank, Niti Aayog, has released a "National Strategy on Blockchain" that calls for its central bank, the Reserve Bank of India (RBI) to issue a digital rupee. India's supreme court will soon decide a consolidated case challenging RBI's blanket ban on banks' services to crypto businesses. <a href="#">Source.</a>  |
| 07.26.2019  | A panel tasked with reviewing how India should regulate cryptocurrency use has proposed fines and up to 10 years in prison for individuals found using crypto in the country. To support its recommendations, they pointed to the fact that the majority of global cryptocurrencies originate outside of India and argue that cryptocurrencies "are inconsistent with the essential functions of money/currency" and cannot replace fiat currencies.  |
|             | In addition to its recommended penalties, the panel suggested that India explore creating its own sovereign cryptocurrency, along with exploring using blockchain technology to enable cross-border payments as well as recording land deeds. The panel was created by the Ministry of Electronics and Information Technology, the Securities and Exchange Board of India, and the Reserve Bank of India. The ban and suggested penalties mirror language in a draft bill created by India's Economic Affairs Secretary last month. <a href="#">Source.</a> |

Date	Occurrence
04.26.2019	<p>On April 26, 2019, as reported by the Indian newspaper, The Economic Times, India's government announced that it was engaging in inter-ministerial consultations on a draft bill that would ban use of all cryptocurrencies and regulate official digital currencies. A final law will be proposed to the next government after elections at the end of May 2019. The draft bill stems from work done last year by a government panel related to cryptocurrencies, which included India's Department of Economic Affairs, Central Board of Direct Taxes, Central Board of Indirect Taxes and Customs, and the Investor Education and Protection Fund Authority. <a href="#">Source</a>.</p>
04.19.2019	<p>The Reserve Bank of India (RBI) recently announced the framework for its fintech regulatory sandbox to foster "learning by doing," which will allow regulators to obtain first-hand experience with and understand the benefits and risks of emerging financial technology. However, because Section 6.3 of RBI's framework explicitly excludes cryptocurrency businesses, this framework is not a sign that RBI is shifting its position on cryptocurrency as reported last summer. <a href="#">Source</a>.</p>
07.03.2018	<p>India's Supreme Court refused to grant a stay on the Reserve Bank of India's (RBI) ban on lenders dealing in cryptocurrencies. On April 6, the RBI issued a circular in which it decided that entities regulated by the RBI cannot deal in or provide services connected to virtual currencies (the Circular). The types of services mentioned in the Circular included maintaining accounts, registering, trading, settling, clearing, giving loans against "virtual tokens," accepting virtual currencies as collateral, and opening accounts of exchanges dealing with virtual currencies. Any regulated entity already providing such services had to stop by July 5, 2018. Source no longer available.</p>
06.18.2018	<p>Economic Affairs Secretary Subhash Chandra Garg announced during an interview with ET Now News that draft legislation regarding cryptocurrency may be forthcoming in the summer of 2018. <a href="#">Source</a>.</p>
04.05.2018	<p>Hong Kong's Securities and Futures Commission (SFC) has ordered the shutdown of an ICO by Black Cell Technology and directed the return of funds to investors who have purchased the tokens. The SFC was prompted to halt the operations over concerns that Black Cell had engaged in potentially unauthorized promotion of the ICO and unlicensed regulated activities. <a href="#">Primary Source</a>. <a href="#">Secondary Source</a>.</p>
11.16.2017	<p>The Indian Supreme Court issued a notice to the central bank and several other agencies asking them to respond to a petition made to the court to regulate bitcoin. The petition called on the Court to make cryptocurrencies accountable to the exchequer, expressing concerns about the untraceability of digital currency transactions. Source no longer available.</p>
08.07.2017	<p>The Securities and Exchange Board of India (SEBI) has established a 10-member advisory panel to examine on recent global fintech developments and report on opportunities for the Indian securities market. The goal of the new Committee on Financial and Regulatory Technologies is to help prepare India to adopt fintech solutions and foster innovations within the country. <a href="#">Source</a>.</p>
08.25.2015	<p>The Reserve Bank of India's governor and two deputy governors made statements about bitcoin. He indicated that while the technologies have the potential to be disruptive they could also have undesirable consequences if left unchecked. He also acknowledged that the technology can assist financial inclusion, that Cryptocurrency can help alleviate transaction settlement concerns. <a href="#">Source</a>.</p>
12.24.2013	<p>Reserve Bank of India issues warnings to customers who buy, sell or trade in virtual currencies about security risks, absence of regulatory authority, speculation and volatility, legal risk, and use of currencies for illegal activities. Also says it is "presently examining" issues associated with using, holding, and trading VCs, including regulations for foreign exchanges and payments systems laws. Source no longer available.</p>

Date	Occurrence
12.27.2013	India's Enforcement Directorate raided the offices a virtual currency exchange, reportedly in response to violations of India's Foreign Exchange Management Act. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
02.18.2019	According to English language media reports, on February 15, 2019, Bappebti approved regulation no. 5/2019, which legally recognizes and regulates bitcoin and other cryptocurrencies as trading commodities and legalizes cryptocurrency exchanges, subjecting them to additional regulation as well. <a href="#">Source.</a>
02.06.2014	Bank Indonesia issued a statement on virtual currencies stating that these are not considered to be currency or legal payment instruments in Indonesia and warned the public that the user/owner of bitcoins bears all risks related to their ownership/use. Source no longer available.
01.16.2014	Deputy Governor of Indonesian Central Bank says that using bitcoin violates information and electronic transaction laws and currency laws. DG also strongly urged Indonesians not to use bitcoin as a means of payment, and highlighted security risks of bitcoin too. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
03.25.2019	The International Organization of Securities Commission's (IOSCO) Board recently released a list of priority issues for 2019, with crypto assets listed as one of the priorities. The Board states that IOSCO will focus on "how platforms where crypto-assets are traded are regulated and will also examine regulation of investment funds with exposures to crypto-assets." IOSCO will also create a portal for members to share information on enforcement efforts. In addition, IOSCO will continue its development of an "ICO Support Framework," aimed at helping members address domestic and international issues related to initial coin offerings. <a href="#">Source.</a>
09.11.2018	The International Monetary Fund (IMF) warned the Republic of the Marshall Islands (RMI) against its plans to create a government-issued digital currency. RMI had solidified plans earlier this year for its digital currency to act as a second legal tender for the network of islands alongside the US dollar. RMI plans to avoid the anonymity of other digital currencies so as to make it suitable for a regulated banking system and plans to be distributed via an initial coin offering. The IMF issued a press release encouraging RMI to be cautious about issuing a decentralized digital currency and to consider the all the potential risks. The IMF also warned that RMI could be at risk of losing the last banking relationship with the US dollar. Source no longer available.

**Date****Occurrence**

As part of the Financial Stability board's report to the G20, work by the International Organization of Securities Commissions (IOSCO), the Bank of International Settlement's (BIS) Committee on Payments and Market Infrastructures (CPMI) and Basel Committee on Banking Supervision (BCBS) was referenced.

07.16.2018 CPMI collaborated with FSB on a framework for crypto-asset stability and continues to conduct work on applications of distributed ledger technology.

IOSCO established an ICO Consultation Network as part of a broader support framework to assist members in May 2018, following a public announcement regarding crypto-asset concerns in January 2018. IOSCO may explore whether IOSCO's Principles for Secondary and Other Markets would be applicable to crypto-asset platforms.

The BCBS is conducting research into banks' exposures to crypto-assets. [Source.](#)

04.16.2018 The IMF Managing Director Christine Lagarde released an article entitled 'an even-handed approach to crypt assets'. IMF staff members continue to write policy and research pieces with respect to cryptocurrencies and blockchain. [Source.](#)

09.29.2017 At a conference held by the Bank of England, the IMF Managing Director Christine Lagarde spoke about how fintech will change central banking over the next generation, specifically virtual currencies, new models of financial intermediation, and artificial intelligence. Lagarde indicated that the IMF believes virtual currencies like bitcoin pose very little or no challenge to the existing order of central banks and fiat currency based on the position that the underlying technologies are not yet scalable, the currencies are unregulated, and several platforms trading or storing virtual currencies are subject to cybersecurity breaches. Regardless, Lagarde cautioned not to dismiss virtual currencies and noted that many, especially developing, countries might see an increase in the use of virtual currencies, rather than adopting the fiat currency of another country, e.g. the U.S. dollar. [Source.](#)

**Developments Over Time****Date****Occurrence**

07.26.2019 The Iranian government's economic commission has approved cryptocurrency mining for the first time. Central Bank of Iran Governor Abdolnaser Hemmati issued a statement saying that the mining of digital coins has been approved and will be discussed at a future cabinet meeting. In addition, Iranian Deputy Energy Minister Homayoun Haeri said that government ministers will discuss and approve an electricity rate for mining businesses, which will likely restrict miners from using the subsidized internal energy system. In recent years, a number of "mining" farms moved to Iran to take advantage of the low cost of electricity; according to news reports, many of those miners come from China, and China has allegedly encouraged Iran to legalize mining activity.

The legalization comes just months after the country cracked down on two crypto mining farms, seizing their equipment. At the time, the crackdown was reportedly due to the adverse impact of cryptocurrency mining activity on the country's energy supply. Electricity in Iran is both subsidized by the government and resource-stressed as a result of international sanctions. Iran provides cheap electricity in part to stimulate internal agricultural and industrial activity. Source no longer available.

01.28.2019 The Central Bank of Iran has released early drafts of cryptocurrency regulations. This release coincides with the Electronic Banking and Payment Systems conference being held in Tehran. The draft regulations would recognize cryptocurrencies and authorize initial coin offerings. However, the regulations would restrict the use of cryptocurrencies (other than a state-backed cryptocurrency launched by Iran's Central Bank) as a method for payment within Iran, as well as require special licenses and certifications for banks and trading platforms within Iran handling cryptocurrencies. According Governor of the Central Bank of Iran, Abdolnaser Hemmati, regulations will not be finalized until there is adequate input from technology experts in the field. [Source.](#)

07.31.2018 The Iranian Financial Tribune reported that it is likely that Iran will fully legalize digital currencies. According to the report, Abolhassan Firouzabadi, head of the High Council of Cyberspace, stated that cryptocurrencies will "probably" be legalized in Iran in the near future, "The final decision has not been made yet, but a working group in the Majlis Social Commission is studying it to establish online exchanges for virtual currencies, mining of virtual currencies and what currencies will be declared legal." [Source.](#)

04.28.2018 On April 28, a government minister of Iran stated that the country has developed an experimental local cryptocurrency, which would not be affected by the country's wider ban on cryptocurrencies. Iran's Central Bank clarified that the existing ban on cryptocurrencies does not apply to domestically-developed cryptocurrencies. [Source.](#)

04.22.2018 On April 22, Iran's Central Bank banned trading of digital currencies identified by Iran's anti-money laundering body in December 2017, including Bitcoin, citing money laundering concerns. The Bank issued a statement in which it directed banks and currency exchanges to refrain from engaging in any sale or purchase of the identified cryptocurrencies. [Source.](#)

02.21.2018 The head of Iran's Ministry of Information and Communications Technology, Mohammad-Javad Azari Jahromi, revealed that the country plans to launch its own national cryptocurrency. According to the announcement via tweet, which followed a meeting with the government-owned Post Bank of Iran, a test model for the currency is being developed for review by the Iranian banking system. [Primary Source.](#) [Secondary Source.](#)

12.02.2017 Bucking international sanctions, the High Council of Syberspace in Iran (HCC) announced that it will accept the use of bitcoin but the digital currency will be subject to strict regulation. [Source.](#)

## Developments Over Time



Date	Occurrence
01.2019	Ireland's Cabinet approves General Scheme of a Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill, which would give effect to the fifth European Union money laundering directive, extending and increasing transparency and diligence requirements to wallet providers and the use of virtual currency exchange platforms. <a href="#">Source.</a>
05.2018	Ireland's Office of Revenue Commissioners released a manual on the tax treatment of various transactions under cryptocurrencies. It clarified that ordinary tax rules apply, and that cryptocurrency mining would generally not be subject to VAT. <a href="#">Source.</a>
04.10.2018	Ireland and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
03.23.2018	The Irish Department of Finance released a discussion paper on virtual currencies and blockchain technology. Within the paper, an intra-departmental government working group was announced. <a href="#">Source.</a>
07.27.2017	Ireland's Central Bank Chief, Philip Lane, has maintained that blockchain is a large policy challenge. In a speech given in May, he indicated that the central bank is working to establish an internal working group that would focus on researching and advising on fintech developments and how the bank can use technologies like blockchain. <a href="#">Source.</a>
12.10.2013	The Central Bank of Ireland was cited by the Minister for Finance as stating that it does not regulate bitcoin or consider it to be legal tender. The Minister for Finance also referenced a statement by the Revenue Commissioners that they are monitoring development of virtual currency and its tax implications, although they do not believe virtual currency represents a significant risk for tax evasion. Currently, implications for taxation are varied, as bitcoin has elements both of a commodity and a currency. Source no longer available.

## Developments Over Time

Date	Occurrence
08.10.2017	The Isle of Man has been committed to fostering innovation in its fintech and digital payments sector over the last few years. Source no longer available.
01.11.2017	Regulations remain fairly loose, and the Department of Economic Development has been active in directly investing in local businesses (£4.5 million in 2016). In 2016, the Gambling Supervision Commission (GSC) and Treasury approved regulation to allow digital currencies including bitcoin to be accepted as cash. <a href="#">Source.</a>
04.29.2016	The Gambling Supervision Commission Officials weighing regulatory changes that would allow gambling services to accept digital currencies "as if they were cash". They issued a "public consultation" that was open from 4/26/16 until 05/20/16. <a href="#">Source.</a>
05.07.2015	The Isle of Man Department of Economic Development announced plans to run a trial of the first government-owned blockchain project. <a href="#">Source.</a>
03.26.2015	Effective April 1, 2015, virtual currency businesses, including those that exchange, sell, buy, or store virtual currency, must comply with the Isle of Man's anti-money laundering laws. <a href="#">Source.</a>
06.10.2014	The Isle of Man Department of Economic Development announced that it intends to take action in the coming months to implement a regime that promotes business opportunities in digital currency but also applies appropriate anti-money laundering requirements. Source no longer available.

## Developments Over Time

Date	Occurrence
03.13.2018	<p>The Israel Securities Authority (ISA) has recommended lenient ICO regulations which would include clear guidance on what constitutes a security triggering securities law, as opposed to a utility token, which the ISA indicated should not necessarily be deemed a security by virtue of it conferring "usage rights in a product or service." The ISA also indicated that tokens used solely for clearing, exchange or payments for a specific project should not be considered securities. The report recommended assessing new tokens individually based on an analysis of "circumstances and characteristics." Source no longer available.</p>
01.08.2018	<p>In a meeting with Israel's parliamentary finance committee, the central bank of Israel said that it would not recognize cryptocurrencies like bitcoin as currencies. Instead, the Bank of Israel will consider cryptocurrencies to be a financial asset. In the same meeting, members of the parliamentary finance committee pressed regulators to create regulation for cryptocurrencies urgently. <a href="#">Source.</a></p>
12.25.2017	<p>The Israel Securities Authority has warned that it plans to block companies whose market value is primarily based on trading cryptocurrency from being traded on the Tel Aviv Stock Exchange. Companies. The chairman of Israel's Securities Authority said that existing regulation is inadequate to protect the public from the risks associated with trading bitcoin and other cryptocurrencies. <a href="#">Source.</a></p>
01.12.2017	<p>Israel's government is set to apply capital gains tax to bitcoin sales, categorizing digital currencies as a type of property. According to a statement published on 12th January, the Israel Tax Authority (ITA) said that it would consider bitcoin and other digital currencies as a kind of intangible asset rather than a foreign currency. Individuals involved in the sale or mining of digital currencies would be subject to business tax rates. Further, any commercial sales of bitcoin or transactions involved with trading are subject to value-added tax (VAT), the agency said. <a href="#">Source.</a></p>
02.19.2014	<p>Central Bank and Finance Ministry warns against the use of virtual currencies, similar to those of the European Banking Authority. It warned that virtual currencies are not legal tender, may be subject to volatility, can be used for money laundering or terrorist financing, and are subject to loss via a technical attacks by hacking. Source no longer available.</p>
01.16.2014	<p>Reportedly, the Bank of Israel and the Israel Securities Authorities, and justice and finance ministries are waiting to see how other countries address virtual currencies before taking action. <a href="#">Source.</a></p>

## Developments Over Time

Date	Occurrence
01.23.2019	<p>In what would become Italy's first law related to blockchain technology, the Italian Senate committees of Constitutional Affairs and Public Works approved an amendment to statute, known as the "Decreto semplificazioni." The amendment would define distributed ledger technology-based technologies and smart contracts. The amendment would give legal effect to blockchain-based registers of the memorialization of documents. The Italian Parliament must still approve the amendment before it becomes law. <a href="#">Source.</a></p>

Date	Occurrence
09.27.2018	Italy joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
06.26.2017	The European Parliament is yet to approve the proposed modification of current anti-money laundering laws (AML) that were published in Italy late last month. The modified law, AML4, was introduced in Italy with its publication in the Italian Official Journal of the Legislative Decree 25th May 2017. The proposed legislation contains numerous articles that directly address cryptocurrencies, in addition to introducing a specific registry for Virtual Currency Exchanges. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
09.02.2016	Agenzia delle Entrate, Italy's top tax authority, released new information about its treatment of digital currencies, stating that purchases and sales made with bitcoin remain exempt from VAT. <a href="#">Source</a> .
02.02.2015	The Central Bank of Italy issues a directive warning that virtual currency could be used for money laundering and terrorist financing, but that businesses that store and exchange virtual currency for fiat currency, among other virtual currency-related businesses, are not required to comply with AML/KYC requirements. <a href="#">Source</a> .
01.30.2015	The Central Bank of Italy issues two directives warning about the use of virtual currency and agreeing with the EBA's stance that financial institutions should not buy or invest in virtual currency until a formal legal framework is established. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
07.11.2014	The attorney general of Rome and an officer of the Italian financial police reportedly warned in separate interviews that Bitcoin could be abused by criminals and called for regulations to combat criminal activity involving virtual currency. <a href="#">Source</a> .
01.18.2014	A law is proposed in the Italian Parliament to require identification of a sender in a transaction involving more than 1,000 euros. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
07.17.2019	In June 2019, the inter-governmental Financial Action Task Force (FATF) approved Japan's Ministry of Finance and the Financial Services Agency regulator's proposed plan for establishing a new "international network for cryptocurrency payments" designed to combat money laundering. A FATF team is intended to monitor its development and Japan will cooperate with other countries. <a href="#">Source</a> .
04.19.2019	According to a Reuters report, Japan's Financial Services Agency (FSA) may require additional internal oversight of "cold wallets" in light of virtual exchanges' shift from internet-connected "hot wallets" to cold wallets. Cold wallets are devices disconnected from the internet and have been utilized more by virtual exchanges following a series of security lapses by Japanese exchanges last year. It is not yet known when the FSA will formally issue the order. <a href="#">Source</a> .

Date	Occurrence
03.18.2019	<p>The Japanese Cabinet has approved draft amendments to its rules governing margin trading of cryptocurrencies. The amendments would cap cryptocurrency margin trading at two to four times the initial deposit. Additionally, exchanges that allow margin trading of cryptocurrencies will be required to register with the Japanese government within 18 months of the amendment's effective date. Failure to register would result in closure of the exchange. Finally, cryptocurrency exchanges will be divided into two categories: those that offer margin trading and those that issue tokens from initial coin offerings.</p> <p>If finalized, the amendments would go into effect in April 2020. <a href="#">Source.</a></p>
10.25.2018	<p>The Japanese press reported that Japan's Financial Services Agency announced that it is considering leverage caps for margin trading of cryptocurrencies to restrain speculative trading and curb exposure to volatility risks. Leverage caps of as low as 2 to 1 are being considered. <a href="#">Source.</a></p>
10.24.2018	<p>The Japan Financial Services Agency announced that it had approved the Japanese Virtual Currency Exchange Association (JVCEA) as a "certified fund settlement business association." This designation will allow the JVCEA to operate as a self-regulatory body to set and enforce rules for Japan's virtual currency exchanges. The JVCEA is composed of sixteen licensed virtual currency trading platforms in Japan. <a href="#">Source.</a></p>
08.13.2018	<p>Japan's top financial regulator, the FSA, started inspecting cryptocurrency exchanges after the hack of Coincheck in January 2018. On Friday, August 10, the FSA announced the results of the on-site inspections of 23 cryptocurrency exchanges operating in the country. Seven out of the 23 are fully licensed crypto exchanges; the rest are "deemed dealers," which are exchanges that have been allowed to operate while their applications are being reviewed by the agency. Notably, the Agency found that "the total assets of the exchanges rapidly expanded to more than 6 times in one year." The FSA is also concerned that there are fewer than 20 executives and employees at most places, with assets under custody of 3.3 billion yen (~\$30 million) per person on average. The FSA will make use of the findings from the inspections when reviewing new applicants. Since the hack of Coincheck, the agency has not approved any cryptocurrency exchanges. <a href="#">Source.</a></p>
08.07.2018	<p>On August 7, 2018, the Japan Virtual Currency Exchange Association (JVCEA) applied with the Japanese Financial Services Agency (FSA) to become a self-regulatory body. The JVCEA, formed in March 2018, is comprised of sixteen Japanese licensed cryptocurrency exchanges, all of which are licensed with the FSA. The JVCEA has now applied to become a "certified fund settlement business association," which would allow it to create self-regulatory rules regarding cryptocurrency trading. Also according to the report, the processing time with the FSA for an application to become a certified fund settlement business association is one to two months. <a href="#">Source.</a></p>
04.30.2018	<p>Japan's Financial Services Agency (FSA) is discouraging cryptocurrency exchanges to stop handling certain cryptocurrencies, including Monero, Zcash and Dash, that it believes are widely used by, and gaining popularity with, criminal actors. According to the FSA, it has identified certain cryptocurrencies as vulnerable to use by bad actors because of the difficulty of tracing them and identifying the recipients. After the hack of Coincheck in February 2018, the FSA shutdown two cryptocurrency exchanges and has boosted its regulatory actions and inspection procedures. <a href="#">Source.</a></p>
09.30.2017	<p>The Financial Services Agency (FSA) of Japan granted its first licenses for digital currency exchanges to 11 companies. To obtain a license, companies must meet several strict requirements, including segregating individual customer accounts and strengthening its computer systems. <a href="#">Source.</a></p>

Date	Occurrence
04.01.2017	<p>On April 1, Japan's Financial Services Agency enacted a new law authorizing the use of digital currency as a method of payment, essentially granting it the same legal status as any other currency. The law follows months of debate which ultimately brought Bitcoin exchanges under anti-money laundering/know-your-customer rules, and resulted in the categorization of Bitcoin as a kind of prepaid payment instrument. The law will put in place capital requirements for exchanges as well as cybersecurity and operational stipulations. In addition, those exchanges will also be required to conduct employee training programs and submit to annual audits. <a href="#">Source.</a></p>
02.01.2017	<p>Overview of Japan financial regulations regarding virtual currencies, and payments generally. (Licensing specific issues are summarized in Section 6). <a href="#">Source.</a></p>
<p>Japan passed a bill that includes amendments to the Payment Services Act (the PSA) and the Act on the Prevention of Transfer of Criminal Proceeds (the Criminal Proceed Transfer Act), both of which provide for virtual currency exchange transactions to be regulated by the relevant authorities.</p>	
<p>The following persons or entities will fall under the category of a virtual currency exchange operator (VCEO): a person or entity that, in the course of trade, engages in (i) purchases and sales of the virtual currency or exchanges the virtual currency for another virtual currency; (ii) an intermediary or agent of the above transactions; or (iii) custody or safekeeping services in relation to a dealing or broking transaction set forth in (i) or (ii) above. Such person or entity is required to register with the Prime Minister as a VCEO.</p>	
05.25.2016	<p>A foreign entity that engages in the virtual currency exchange business outside of Japan and does not obtain such registration with the relevant regulator shall be prohibited from making solicitations of the businesses indicated in (i) through (iii) above to a resident in Japan. Further, a VCEO is now categorized as a "Specified Business Operator" under the Criminal Proceed transfer Act. Accordingly, a VCEO is required to confirm the identities of its customers at the time of any transaction and to report any suspicious trading to the relevant authorities. Finally, the amendments left unclear whether the simple purchase of virtual currencies would be subject to Japanese tax.</p>
<p>The legislation was promulgated on June 3, 2016 and it is expected to be enforced within one year from the promulgation date. Source no longer available.</p>	
03.04.2016	<p>On March 3, 2016 Japan first bill regarding cryptocurrencies was submitted to the Diet. The bill (i) provides definitions of Virtual Currency and Virtual Currency Exchange Services, (ii) requires registration of Virtual Currency Exchange Services (iii) sets forth the regulations regarding the business of Virtual Currency Exchange Service Providers, and (iv) imposes certain obligations (including customer identification obligations) by designating Virtual Currency Exchange Service Providers as "specified business operator" within the meaning of the Act on Prevention of Transfer of Criminal Proceeds. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a></p>
02.24.2016	<p>The Financial Services Agency (FSA) has proposed legislation that would recognize virtual currencies as equal to conventional currencies. If passed, virtual currency companies would be required to register with the FSA. Regulators hope to have the legislation passed before the end of the current Diet session. Source no longer available.</p>
06.19.2014	<p>Japan's Liberal Democratic Party reportedly stated that Japan has decided against regulating bitcoin for now, but will continue to assess the possibility of regulation. <a href="#">Source.</a></p>

## Developments Over Time

Date	Occurrence
07.12.2018	<p>The Jersey Financial Services Commission (JFSC), the financial regulator of the Isle of Jersey, issued a Guidance Note in which it detailed its new application process for the issuers of initial coin offerings (ICOs). In the Guidance Note, JFSC states that most ICOs are unlikely to be regulated by the JFSC; however, the JFSC places some conditions on an issuer of an ICO through powers conferred on the JFSC by a particular Jersey statute entitled the Control of Borrowing (Jersey) Order 1958 (COBO). Relying on the requirements of COBO, JFSC lays out specified requirements for ICO issuers based in Jersey to follow to maintain regulatory compliance. The Guidance also provides a description of the different classifications of ICOs in Jersey. It splits ICOs into "security tokens" and "non-security tokens," although both types of tokens are treated the same by the JFSC. JFSC goes further with "non-security tokens" by specifying that "utility tokens" and "cryptocurrency tokens" are non-security tokens. Source no longer available.</p>
09.23.2016	<p>Authorities in the State Assembly, the legislature of the British Crown dependency of Jersey, published an order on 23rd September, stating that anyone operating as a digital currency exchanger is exempt from registration requirements if their annual turnover is less than £150,000. The order came into force on 26th September. The Jersey legislature also approved a change to the dependency's money laundering statutes, which would apply to digital currency exchangers. The orders reflect the outcome of a consultation process begun last year by Jersey's government. <a href="#">Source.</a></p>
11.01.2015	<p>The States of Jersey government released a regulatory scheme for virtual currency exchangers. As companies grow, regulatory requirements increase, with those companies exceeding 150,000 GBP facing higher reporting and registration requirements. <a href="#">Source.</a></p>

## Developments Over Time

Date	Occurrence
02.22.2014	<p>Reportedly, the Central Bank of Jordan warned against the use of virtual currencies and said they are not legal tender. The warnings were similar to those issued by other countries: that there is a high risk of devaluation, that their value is highly volatile, that virtual currencies can be used for criminal activities, and that there is a risk of total loss because it is not backed by a central authority. Further, the Central Bank reportedly told all banks, currency exchange companies, financial companies, and payment service providers, that they are prohibited from dealing in virtual currencies. <a href="#">Source.</a></p>

## Developments Over Time

Date	Occurrence
10.17.2017	<p>The Republic of Kazakhstan has agreed to a deal with Astana International Finance Center (AIFC) and Malta-based company EXANTE to develop and promote the cryptocurrency market in Kazakhstan. Source no longer available</p>
07.30.2017	<p>Kazakhstan has shown a strong commitment to embrace blockchain technology over the last few years. In 2015, The government has made moves towards regulating cryptocurrencies, in an effort to attract cryptocurrency startups, blockchain businesses, and ICOs. In June 2017, Kazakhstan announced its plans to start selling blockchain-based bonds, seeking to provide investors with a quick and inexpensive way to buy bonds. Source no longer available.</p>

## Developments Over Time

Date	Occurrence
04.25.2018	<p>On April 25, the Kenyan Capital Markets Authority (CMA) released a Capital Market Soundness Report, which proposed creating a task force to address challenges related to digital currencies and ICOs. The special unit would be a special unit under the purview of all relevant regulators including the CMA and the Central Bank of Kenya (CBK). This marks a shift in the CMA's and CBK's previous position in ICOs. In February 2018, the CMA warned investors against ICOs and stated that all offerings were unapproved, unregulated and highly speculative investments. The CBK Deputy Governor spoke at the Euromoney East Africa Conference in early April and stated that the country's approach to blockchain technologies should be to cautiously embrace while addressing potential risks. <a href="#">Source</a>.</p>

## Developments Over Time

Date	Occurrence
08.26.2014	<p>The central bank issued a press release stating that the only legal tender in Kyrgyzstan is its national currency, the som, and that the use of virtual currency as a means of payment is illegal. The press release further warns of the risks of holding or transacting in virtual currency. Source no longer available.</p>

## Developments Over Time

Date	Occurrence
04.10.2018	<p>Latvia and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.</p>
11.06.2017	<p>Latvia agreed to coordinate with fellow Baltic and EU-Member countries Estonia and Lithuania to develop capital markets in the Baltic region, which was memorialized between the ministries of the three countries in a Memorandum of Understanding. The agreement set forth the goals of stimulating investment, creating jobs, supporting economic and social convergence to help absorb economic shocks, all of which will be achieved in part by facilitating cross-border investments and dismantling burdensome investment barriers. <a href="#">Source</a>.</p>

## Developments Over Time

Date	Occurrence
11.20.2020	<p>In November, the Lebanese central bank announced that it was making progress on its implementation of a CBDC. The country is in the midst of a severe economic crisis, which the central bank says will benefit from the introduction of the CBDC in part because it will help restore confidence in Lebanon's banking industry. Lebanon's central bank says it plans to introduce the Lebanese CBDC in 2021, but several news outlets and market players expressed skepticism that the Lebanese government had made progress in a CBDC project. <a href="#">Source</a>.</p>

Date	Occurrence
12.19.2013	Bank of Lebanon has warned about risks of digital currencies, including that transactions made through unregulated networks cannot be guaranteed and losses not recoded; transactions may be irreversible; the currencies are highly speculative and volatile; and can be used for criminal activities. It also reminded financial institutions and exchanges that "e-money" is prohibited by decree. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
05.07.2019	On May 7, 2019, Liechtenstein passed the Token and VT Service Providers Act (the Act). According to an official press release, the Act covers "transaction systems based on trust technologies," a definition intentionally broad so as to cover "the next generations of technology." The Act was passed, in part, to ensure consumer protection and fight illicit use and money laundering. According to the press release, the Act clarifies questions as to how current laws apply to tokens and blockchain technology. The Act also addresses property rights as it relates to tokens. <a href="#">Source</a> .
02.01.2019	Liechtenstein joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
03.21.2018	Prime Minister Adrian Hasler announced that the government will propose new blockchain regulation by summer 2018, which would include cryptocurrencies and other blockchain technologies. He indicated that the purpose of the legislation is to provide clarity for business and consumers, and not to inhibit innovation in the industry. The new regulations is expected to continue Lichtenstein's "light touch" approach to regulation in the crypto space. Source no longer available.

## Developments Over Time

Date	Occurrence
07.21.2019	Lithuanian news outlet Delfi is reporting that Lithuania's government recently amended its anti-money laundering rules in order to bring existing laws into compliance with the provisions set out in the fifth European Union Anti-Money Laundering Directive. The new rules require cryptocurrency businesses in Lithuania to register with the government and to take actions necessary to identify their customers. Source no longer available.
04.10.2018	Lithuania and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
11.06.2017	Lithuania agreed to coordinate with fellow Baltic and EU-Member countries Estonia and Latvia to develop capital markets in the Baltic region, which was memorialized between the ministries of the three countries in a Memorandum of Understanding. The agreement set forth the goals of stimulating investment, creating jobs, supporting economic and social convergence to help absorb economic shocks, all of which will be achieved in part by facilitating cross-border investments and dismantling burdensome investment barriers. <a href="#">Source</a> .



Date	Occurrence
10.10.2017	The Bank of Lithuania published a position paper on virtual currencies and initial coin offerings (ICOs) with guidance for potential organizers of ICOs. The bank reaffirmed its 2014 position, prohibiting banks and financial institutions from transacting with or handling cryptocurrencies. Regarding ICOs, the bank noted that although they are not currently regulated, ICOs involving the sale of coins with features of securities should be subject to Lithuania's existing securities law. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
02.10.2014	Central Bank of Lithuania clarifies that regulation of virtual currencies is under discussion but that it is likely to wait until further action from EU countries before pursuing regulation. <a href="#">Source</a> .
01.31.2014	Additional warnings issued regarding virtual currency and fluctuations in value of virtual currency. Source no longer available.
12.2013	Central Bank of Lithuania adopts the EBA warnings to consumers. Source no longer available.

## Developments Over Time

Date	Occurrence
04.10.2018	Luxembourg and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
02.14.2014	The Luxembourg financial regulatory commission (CSSF) has issued a statement concludes that virtual currencies are not legal tender. It warns that virtual currencies entail risks for their holders, and reminds financial services providers that carrying out activities of the financial sector requires an authorization by the Minister of Finance and subjecting themselves to CSSF supervision. Source no longer available.

## Developments Over Time

Date	Occurrence
02.24.2020	The Securities Commission Malaysia (SC) has released Guidelines on Digital Assets pursuant to section 377 of the Capital Markets and Services Act 2007. The guidelines set out the requirements for all offerings of digital tokens to be carried out through an initial exchange offering (IEO) platform operator that is registered with the SC. <a href="#">Source</a> .
01.15.2019	SC announced new digital currency and digital token regulatory rules. The new rules require any issuer or exchanger of digital tokens to apply for approval from the SC prior to commencing business in Malaysia. In the SC's notice regarding its new regulatory policies, the SC also indicated that it was working with the Central Bank of Malaysia to develop a robust framework for digital asset compliance. Source no longer available.
03.22.2018	The Deputy Governor of the Central Bank of Malaysia (Bank Negara Malaysia, (BNM)), Jessica Chew Cheng Lian, gave a speech in which she discussed the country's desire to encourage FinTech and blockchain technologies and spoke positively about how the technologies could advance banking services. Lian indicated that BNM has formed an Application Program Interface implementation group whose members include individuals from major fintech startups and the financial sector. The goal of the group is to develop a standardized open API framework. Lian also indicated that nine banks within Malaysia recently launched a collaborative project to develop blockchain applications for trade finance. Source no longer available.

Date	Occurrence
11.06.2017	The chairman of Securities Commission Malaysia (SC) said at a finance conference that the SC is working on regulations and guidelines for the use of digital assets and cryptocurrency. The SC is working closely with Bank Negara Malaysia (BNM), the country's central bank, to draft the potential regulations. The chairman also indicated that the SC is working on a pilot program to research distributed ledger technology. Source no longer available.
01.02.2014	Central Bank of Malaysia has said that "The bitcoin" is not legal tender in Malaysia, that is does not regulate the operations of bitcoin, and that the public is advised to be cautious of the risks associated with the use of digital currencies. Source no longer available.

## Developments Over Time

Date	Occurrence
06.14.2019	The European Commission (Commission) is recommending that Malta increase its AML enforcement efforts to keep up with its growing crypto and gaming industries. The Commission commended recent AML efforts by the country but noted the risk of conflicts of interest for governmental officials and the understaffing of Malta's Economic Crimes Unit. The Commission also asked that Malta look at its tax system to prevent aggressive tax planning and tax avoidance. Source no longer available.
07.19.2018	The Malta Stock Exchange announced the creation of a new fintech and digital asset subsidiary. <a href="#">Source.</a>
07.04.2018	The Maltese Parliament passed three bills into law to create a regulatory framework for blockchain, cryptocurrency and DLT. <a href="#">Source.</a>
04.13.2018	On April 13, the Malta Financial Services Authority (MFSA) announced that it is considering moving ahead with introducing a "Financial Instrument Test," which would clarify how the law defines digital assets and provide guidance to determine whether a blockchain-based asset would fall under EU regulation or Malta's proposed Virtual Financial Asset Act (VFSA). The MFSA originally introduced the Test on November 30 in a paper addressing ICOs and other services related to virtual currency and tokens. The April 13 consultation paper expands on the proposed Financial Instrument Test. The government is seeking input from the financial services industry and the public, who can respond to the proposed regulation via a survey on the MFSA's website. Source no longer available. 04.10.2018 Malta and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
10.23.2017	The Malta Financial Services Authority (MFSA) published draft regulation for collective investment schemes investing in virtual currencies, which would be narrowly applicable to Professional Investor Funds (PIFs) that have investing in virtual currencies as their objective. With the aim of protecting investors and mitigating risk, the MFSA has decided that investing in virtual currencies should be limited to PIFs organized as SICAVs or INVCOs, types of legal entities that are required to have a board of directors responsible for the conduct of the business and collective investment scheme. <a href="#">Source.</a>

Date	Occurrence
04.20.2017	Malta's government is reportedly developing a broad national strategy that will see the government embrace bitcoin and blockchain innovation to promote and adopt the technology. The island nation's Cabinet has approved the first draft of a national strategy to promote blockchain. The revelation was made by Malta's Prime Minister Joseph Muscat, speaking at an official financial conference. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
01.22.2020	Mexico's National Banking and Securities Commission (CNBV) issued the first fintech license on January 22, 2020 under the country's new fintech law that came into effect in 2018. At least 85 other companies have applied for the license. Licensed fintech companies will have to comply with minimum capital and reporting requirements and be subject to limitations on transfers with certain financial institutions outside of the country. <a href="#">Source</a> .
07.15.2019	In July 2019, the Mexican consumer watchdog released new rules for FinTech companies, including best practices for cryptocurrencies. Supervised FinTech companies would be required include detailed information on fees, interest rates and risks and cryptocurrency exchange rates (where crowdfunding). <a href="#">Source</a> .
03.18.2019	Mexico's central bank recently proposed new regulations that would effectively prevent crypto exchanges from operating within the country. The regulations would prohibit financial institutions regulated by the central bank from offering exchange, transmission, or custody services for cryptocurrencies. The reported reasoning behind the move is to protect customers from the volatility of digital assets and because of the "complexity of the mathematical and cryptographic processes that underlie digital assets."
	There will be a 60-day period for the public to submit comments regarding the proposed rule. Source no longer available.
03.01.2018	The lower house of Mexico's Congress approved legislation for FinTech companies and give legal clarity for ICOs, payment methods and cryptocurrencies generally. Additionally, the law would permit open banking (sharing of user information by financial institutions) through public application programming interfaces (APIs). Details of the regulation will be determined by the CNBV (banking and securities regulator), the central bank and the finance ministry. Mexico's Senate approved a version of the bill in December, which now awaits President Nieto's signature. <a href="#">Source</a> .
09.29.2015	Mexico's Secretariat of Finance and Public Credit clarified its stance on bitcoin, stating that virtual currencies will be included in the prohibitions of article 32 of Mexico's LFPIORPI, its federal law that is meant to prevent and identify operations transacted with illicit goods. Source no longer available.
03.12.2014	The Bank of Mexico has issued a press release warning of the risks of using virtual currencies, which also indicates that virtual currency is not legal tender. The release notes that currently virtual currencies do not currently have significant penetration in Mexico, however, the Bank in coordination with other authorities is monitoring their development and will issue regulations if necessary. Source no longer available.

## Developments Over Time

Date	Occurrence
11.21.2017	Morocco's foreign exchange authority, the Office des Changes, stated in a press release that transacting with cryptocurrencies within Morocco violates existing regulations. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
08.13.2017	On August 13, 2017, Nepal's Central Bank, the Nepal Rastra Bank, issued a notice that "all transactions related to or regarding bitcoins are illegal." The Nepal Rastra Bank is also the monetary, supervisory and regulatory body of all Nepalese commercial banks. <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
04.10.2018	The Netherlands and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
03.20.2018	A Dutch court ruled in favor of a plaintiff who was owed a small amount of Bitcoin (BTC) in mining proceeds. In its ruling, the court expressly stated that Bitcoin represents a transferable value and has all the characteristics of a property right. <a href="#">Source</a> .
03.24.2016	The Dutch central bank has committed to developing an internal blockchain prototype dubbed "DNBCoin", according to a recent publication. The development signals a desire on the part of the Dutch central bank to explore blockchain tech as an avenue for swapping physical cash with digital replacements. <a href="#">Source</a> .
11.25.2014	Based on unofficial statements, the Ministry of Finance is reportedly considering exempting bitcoin transactions from VAT, treating bitcoins similarly to payment instruments. <a href="#">Source</a> .
09.26.2014	Dutch prosecutors released a document describing their response to Project ITOM, which involves collaboration between EU and U.S. law enforcement, financial intelligence and monetary agencies to tackle illegal trade on the dark web. The Dutch prosecutors identified cryptocurrencies as one of their priorities for deterrent action, and emphasized the need for law enforcement to be able to obtain more information on Bitcoin transactions. Source no longer available.
08.24.2014	Courts reportedly ruled that bitcoins are objects, and the public prosecution department can therefore legally seize virtual currency from criminals and place them in its own digital purse. <a href="#">Source</a> .
05.14.2014	A district court in a civil suit involving an uncompleted bitcoin transaction between two parties ruled that bitcoin is a medium of exchange that is an acceptable form of payment in the country but that cannot be defined as legal tender, common money, or electronic money. Source no longer available.
05.08.2014	The Dutch Central Bank issues additional warnings relating to use of virtual currency, including statements that virtual currencies are not a viable alternative for legal tender. Source no longer available.

Date	Occurrence
12.20.2013	Virtual currencies such as bitcoins currently do not fall within the scope of the Act on Financial Supervision of the Netherlands, as the Dutch Minister of Finance recently emphasized. Source no longer available.
12.03.2013	The Dutch Central Bank released a warning listing risks of usage of virtual currency and stated that it does not supervise virtual currencies. Source no longer available.
06.07.2013	A transcript of a question and answer section with the Dutch Minister of Finance regarding risks of using bitcoin. The Q&A indicates that bitcoin is not a financial product for the purposes of the Act on Financial Supervision and that bitcoin transactions are taxable on an as-converted to legal tender basis. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
10.2017	New Zealand's Financial Markets Authority (FMA) published commentary on initial coin offerings (ICOs) and cryptocurrency services to supplement its online resources for investors. The FMA indicated that the specific characteristics and economic substance of an ICO determine whether the coins/tokens offered are a financial product and how (or if) it should be regulated. With respect to cryptocurrency services generally, the FMA set forth the legal obligations business offering services including crypto exchanges, wallets, and brokering: (1) Must be a member of a dispute resolution plan; (2) Must be on the Financial Services Providers Register; (3) Must comply with fair dealing provisions in the Financial Markets Conduct Act. <a href="#">Source.</a>
11.12.2014	The Deputy Governor of New Zealand's Reserve Bank (RBNZ) reportedly likened Bitcoin to a commodity rather than a realistic cash substitute, and stated that a change in regulatory approach was needed to manage the increased operational risk caused by the rise of online and mobile payments. <a href="#">Source.</a>
12.11.2013	Reserve Bank of New Zealand Gov. John McDermott warned people to "tread carefully" because of supply, controls, and monitoring. Also warned of risks from volatility in pricing and speculation. <a href="#">Source.</a>
12.28.2013	New Zealand's Commerce Commission reported as stating that bitcoin is covered by New Zealand's Fair Trading Act and Commerce Act. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
02.15.2018	The Nigeria Deposit Insurance Corporation (NDIC) issued a Special Notice, directed to banks, bank depositors and the public in which it warned of the potential risks of digital currencies for users, holders, and traders. The Notice included a reminder that digital currencies are unregulated, and emphasized the risks it perceives are the most likely for consumers, including lack of protection when using digital currencies for payments, potential loss of money resulting from cybersecurity breaches, price volatility, and absence of authorized exchange platforms. Source no longer available.

## Developments Over Time

Date	Occurrence
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- 08.15.2018 The Central Bank of Norway announced in a working paper this month that it is considering developing its own cryptocurrency. Noting the decline in cash usage in the country, the report sets forth several uses and advantages of a digital currency issued by a central bank, including providing a "reliable alternative to deposits in private banks," a solution for electronic payment systems, and an alternative method for bank customers to store financial assets. [Source.](#)
- 04.10.2018 Norway and 21 EU member states signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
- 02.09.2017 Following a recent European Court of Justice ruling, the Directorate of the Norwegian Ministry of Finance reviewed its position on the applicability of VAT exemptions to Bitcoin, and recently concluded that services relating to the exchange of Bitcoin are covered by the VAT Act's exemption for financial services. [Source.](#)
- 12.13.2013 Norwegian Director of General Taxation says that virtual currencies are not "money" or "currency" (a widely accepted and agreed upon method of exchange for goods and services). Virtual currencies are, however, assets subject to capital gains taxes. [Source.](#)

## Developments Over Time

- | Date       | Occurrence  |
|------------|---|
| 04.06.2018 | Pakistan's central bank reiterated that cryptocurrencies are illegal in the country and the government directed banks and other financial services providers to refuse customers seeking to transact in cryptocurrencies. <a href="#">Source.</a> |

## Developments Over Time

- | Date       | Occurrence   |
|------------|--|
| 08.07.2018 | The central bank of the Philippines, Bangko Sentral ng Pilipinas (BSP) is researching the question of whether it should issue its own central bank-issued digital currency (CBDC). <a href="#">Source.</a>   |
| 08.02.2018 | The Philippines Securities and Exchange Commission (SEC) published draft rules governing token sales and digital currencies. The draft rules, entitled "Rules and Regulations Governing Initial Coin Offerings (ICO), provide a road toward compliance for all digital tokens offered for sale through an ICO in the country. Source no longer available.  |
| 07.10.2018 | A Hong Kong-based company launched its cryptocurrency exchange business in the Philippines after it had secured the first cryptocurrency exchange license issued by the Cagayan Economic Zone Authority (CEZA). The CEZA is a government-owned and controlled corporation tasked to manage and supervise the development of the Cagayan Special Economic Zone and Freeport (CSEZA), which is itself a special economic zone in Cagayan Province, northern Luzon, in the Philippines. The license issued to the Hong Kong company is a provisional license that expires after six months; however, the company can acquire a permanent license if it is able to fully comply with the CEZA license requirements. CEZA officials have stated that they plan to issue 24 more financial technology solutions and offshore virtual currency (FTSOVC) licenses. Source no longer available. |

Date	Occurrence
04.25.2018	In February, regulators in the Philippines legalized the entry of 10 virtual currency companies into an economic zone within the country. On April 25, the regulators gave permission for those companies to begin operations following licensure, which the economic zone regulator, CEZA, said would be forthcoming shortly. The central bank of the Philippines has not officially endorsed the use of any cryptocurrency. <a href="#">Source.</a>
11.28.2017	The Philippines Government has been moving towards legalizing and regulating digital currencies, which would be deemed securities and placed under the supervision of the Philippines Securities and Exchange Commission (PhSEC). The PhSEC and the Bangko Sentral ng Pilipinas (BSP) have been in discussions about the potential legalization and scope of the regulation. This follows the BSP's granting an Electronic Money Issuer license in November 2017 to a major bitcoin exchange based in the Philippines. Source no longer available.
02.06.2017	Establishing itself as one of the first governments in Southeast Asia to formally regulate digital currency, the Bangko Sentral ng Pilipinas (BSP) issued Circular No. 944, regulating digital currency exchanges as remittance and transfer companies. Digital currency exchanges must obtain a Certificate of Registration (COR) and comply with annual filing and reporting obligations. The regulatory framework requires digital currency companies to implement appropriate risk management and security controls, and restricts "pay-outs" greater than \$10,000 to checks and direct deposit. Source no longer available.
03.06.2014	The Central Bank of the Philippines has issued a press release describing virtual currencies and the risks of buying, holding or trading virtual currencies. The release indicates that the Central Bank is monitoring developments and may adopt appropriate regulatory measures as needed. Source no longer available.

## Developments Over Time

Date	Occurrence
04.10.2018	Poland and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
02.22.2017	Poland's Financial Ombudsman has called on the country's Ministry of Finance to regulate the local cryptocurrency industry, claiming that as Poland's cryptocurrency market is experiencing rapid growth, it should be subject to regulations that would protect customers of cryptocurrency exchanges. The appeal urged the Finance Ministry to evaluate and compare the best practices from those countries that have regulated cryptocurrencies, and implement the best instruments. <a href="#">Source.</a>
02.03.2017	Poland's Central Statistical Office (GUS) has recognized the trading and mining of virtual currencies as an official economic activity. As a result, companies active in the industry will now be able to register with the agency. The development marks a significant advance for industry players in Poland where, to date, the state has not issued any specific legislation that regulates bitcoin and other virtual currencies. <a href="#">Source.</a>

Date	Occurrence
01.20.2017	A draft bill introduced in Poland aims to create a Central Database of Accounts to be maintained by the Ministry of Finance, which would provide authorities rapid and easy access to information on the locations of certain funds and other liquid assets. The draft bill would apply to banks, credit unions, payment services providers, and "entities that offer products or services that enable storage of authentication data required to access virtual currencies," Covered entities would be required to notify authorities within 24 hours of the opening or closing of an account, or a change to account information, with penalties of up to PLN 1.5 million or up to three years in prison. The bill marks Poland's first attempt at regulating the digital currencies market. Source no longer available.
11.02.2016	The Polish Ministry of Finance concluded that, while virtual currencies are not subject to any separate regulation under Polish legislation, and while their use in Poland is fully legal, they are subject to income tax. <a href="#">Source.</a>
06.20.2016	Poland's Ministry of Digital Affairs announced an expansive digitization plan which seeks to promote digital public services, the development of cashless solutions and the implementation of electronic identification (eID). <a href="#">Source.</a>
07.09.2014	The deputy finance minister reportedly released a statement that options and futures contracts based on bitcoin can be considered as financial instruments. The statement also concluded that Bitcoin is not legal tender in Poland or elsewhere. <a href="#">Source.</a>
05.27.2014	The Lodz provincial office of the Polish Tax Administration issued an opinion stating that the sale of mined bitcoins is subject to Polish value-added tax of 23%, based on the rationale that bitcoin mining is a service with a set service fee, and mined bitcoins will be subject to VAT as a result. <a href="#">Source.</a>
12.20.2013	Ministry of Finance announces that it does not consider bitcoin illegal, although it is not a legal currency either. Also clarified that profits from virtual currencies are subject to taxation as gains. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
04.10.2018	Portugal and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
11.01.2015	The Ministry of Finance has proposed amendments to the criminal code that would result in prison terms for those found guilty of converting virtual currencies into rubles. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a> <a href="#">Tertiary Source.</a>
10.03.2014	The Bank of Portugal issued a consumer alert warning of the risks of use of virtual currencies such as Bitcoin. The warning states that virtual currencies are not safe, and cautions that users bear the risks of using virtual currencies due to their lack of legal tender status and consumer protection regulation. Source no longer available.
11.22.2013	The Bank of Portugal issued a press release highlighting the risks of using bitcoin and stating that the Bank of Portugal does not oversee or supervise the issuance or use of bitcoin. The Bank concluded the release by indicating that banks are aware of the need to monitor and may eventually recognize and act on bitcoin. Source no longer available.



## Developments Over Time

Date	Occurrence
07.05.2018	The Romanian Ministry of Finance has published a draft Emergency Ordinance regulating the activity of issuing electronic money, which may apply to cryptocurrencies. <a href="#">Source</a> .
05.29.2018	Romania joined the European Blockchain Partnership (EBP), which was established by 22 founding countries on April 10, 2018. The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.

## Developments Over Time

Date	Occurrence
10.13.2020	In October, the Bank of Russia published a consultation paper discussing Russia's potential CBDC. The paper said the Central Bank is contemplating the launch of a limited pilot program of its digital ruble by the end of 2021, but said it is too early to give a timeline for a country-wide launch. <a href="#">Source</a> .
02.26.2020	The Russian Supreme Court has added the illicit use of cryptocurrencies to the list of criminal offenses related to money laundering, introducing new amendments to a July, 2015 AML decree. The ruling does not give a legal definition to "cryptocurrencies." According to coverage of the ruling, converting crypto to fiat is not considered a crime, so that courts must prove that the digital assets in question were obtained by criminal means.
	The Central Bank of Russia has also published a new set of rules for suspicious transactions, broadly characterizing any cryptocurrency-linked transaction as a potential money laundering risk. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
07.23.2018	The Chairman of the Russian State Duma Committee on Financial Markets announced that a new bill on crypto-currencies was being considered and that it would not include a separate section on taxation specifically for crypto-currency trading or mining, meaning no special tax status would apply to cryptocurrencies. Source no longer available.
03.02.2018	The Ministry of Economic Development of Russia proposed amending the current draft of the pending federal law on digital assets, which was substantively drafted in January 2018. The proposed "crypto-friendly" proposals included tax exemptions on profits of transactions involving cryptocurrencies and an 10x increase on the limit for individual ICO investments. <a href="#">Source</a> .
12.07.2017	Deputy Finance Minister of Russia Aleksey Moiseev indicated that the Russian government is working on laws to regulate digital currencies, but proposed that mining of digital currencies will become illegal. Criminal penalties could be applied in cases of financial pyramid schemes or tax evasion, but Moiseev clarified that most penalties would be administrative. <a href="#">Source</a> .
10.10.2017	Russian President Vladimir Putin directed his government and the Central Bank to issue an official cryptocurrency, the "cryptoruble." The cryptocurrency would be legal tender within Russian and subject to taxation. A minister speaking about the directive noted that the digital ruble cannot be mined, and the issuance of the cryptoruble does not signal an endorsement or legalization of other decentralized cryptocurrencies like bitcoin. <a href="#">Source</a> .

Date	Occurrence
09.08.2017	Russia's finance ministry announced that it wants to regulate cryptocurrency transactions that involve Russian citizens and companies. Acknowledging the global market of cryptocurrencies, Finance Minister Anton Siluanov indicated that the ministry does not intend to ban cryptocurrency outright. By the end of 2017, the finance ministry is due to finish a law that would set forth a procedure for buying cryptocurrency, which includes registration of potential buyers. The ministry indicated that it plans to regulate sales of cryptocurrency in a similar fashion to securities, but it did not explain what criteria would be used to establish which cryptocurrency transactions would fall under the purview of securities law. <a href="#">Source.</a>
05.08.2017	Russia's government is said to be moving ahead with plans to introduce rules for blockchain use by 2019. According to state-owned news service TASS, the disclosure came from a report from the Ministry of Communications, which was not publicly accessible. TASS reports that the documents touch on "the adoption of legal acts" related to blockchain, positing 2019 as the time frame for the update. <a href="#">Source.</a>
04.13.2017	A Russian central bank official indicated that it was "too early" to discuss legally recognizing bitcoin. According to the state-run news agency TASS, 2018 would see some kind of regulatory position emerge from Russia's government, though discussions remain ongoing as to what that position might be. <a href="#">Source.</a>
05.19.2016	Russian bitcoin ban faces an uncertain future after a draft of the bill was withdrawn. The bill – popularly known as the "Russian bitcoin ban" – received some negative feedback after the Justice Ministry is said to have objected to the bill on the grounds that its comments were not incorporated. The national legislature, the Duma, has been deliberating the bill since earlier this year. <a href="#">Source.</a>
04.29.2016	The Finance Ministry in Moscow is planning to submit legislation next month which would punish those using digital currencies. The proposed legislation would prohibit the issuance of digital currencies, as well as their use in exchange for goods and services in Russia. The range of penalties is commensurate with the level of usage. Russia joins Bolivia, Iceland, and Vietnam in taking steps to criminalize digital currency use. <a href="#">Source.</a>
01.11.2016	Lawmakers submitted a new draft bill to Russia's legislative assembly, the Duma, proposing a ban on virtual currencies. The law would impose imprisonment and civil penalties ranging from \$265 to \$66,000 for those who violate the law. The bill prohibits "malevolent issuance of money surrogates," which may include miners as well as exchangers, "assistance in money surrogates circulation," which captures virtual currency wallets, and "circulation of money surrogates" which includes those who purchase goods and services using virtual currency. The bill goes so far as to prohibit advertising virtual currencies in mainstream media and online, by prohibiting "intended distribution of information sufficient and necessary for issuance of money surrogates in media and information and communications networks." <a href="#">Source.</a>
11.20.2015	Deputy Finance Minister Alexey Moiseev expressed support and appreciation for blockchain technology, while maintaining the Ministry's stance on bitcoin as a danger to the banking system. The Ministry of Finance seeks to criminalize bitcoin conversions through a proposed draft law that would subject those who convert the virtual currency to up to four years in prison. <a href="#">Source.</a>
12.03.2014	The Ministry of Finance revised its proposed legislation banning virtual currency activity, reducing the applicable fines by approximately 20-50%. <a href="#">Source.</a>
09.13.2014	Deputy Finance Minister reportedly announced that a law will be passed by next spring banning transactions in virtual currencies. The law will reportedly provide for criminal penalties against miners of virtual currency, and ban access to exchanges and online stores accepting bitcoin. <a href="#">Source.</a>

Date	Occurrence
08.01.2014	The finance ministry is reportedly preparing a bill prohibiting transactions with "money substitutes," including cryptocurrency. The ministry reportedly believes that virtual currencies are attractive to the shadow economy due to their lack of regulation. <a href="#">Source.</a>
02.07.2014	Central Bank of Russia says that, under existing regulations, virtual currencies are a money surrogate, not an official currency, and are prohibited. Entities that use or exchanges that trade in virtual currencies will be subject to suspicion based on the potential use of virtual currencies for money laundering or other criminal activities. <a href="#">Source.</a>
01.24.2014	Former economy minister and current chief of state-run OAO Sberbank Herman Gref says that banning virtual currencies in Russia would be a "colossal step backward" and had sent letter to the Kremlin, central bank, and Finance Ministry regarding the same. <a href="#">Source.</a>
01.15.2014	The Security Committee in the lower house of parliament, the State Duma, approved a draft counterterrorism bill that included restrictions on anonymous transactions, including virtual currencies. Source no longer available.

## Developments Over Time

Date	Occurrence
08.12.2018	The Saudi Arabian Monetary Authority (SAMA) published a statement on August 12, 2018 advising that the Standing Committee for Awareness on Dealing in Unauthorized Securities Activities in the Foreign Exchange Market (ForEx) warns that "unauthorized virtual currencies are illegal inside the Kingdom of Saudi Arabia." The committee assured "that virtual currency including, for example but not limited to, the Bitcoins are illegal in the kingdom and no parties or individuals are licensed for such practices." The committee warned against trading in the digital currencies "for their negative consequences and high risks on traders as they are out of government supervision." The committee did not specify any penalties or fines for cryptocurrency trading. <a href="#">Source.</a>
10.08.2017	The governor of the Saudi Arabian Monetary Authority (SAMA) said in a press conference that the authority plans to launch a digital currency through a pilot project. The digital currency would only be available to be traded among banks; the governor ruled out plans to issue a digital currency for use by individuals and companies. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
11.06.2016	Banque Régionale de Marchés (BRM) announced that it partnered with eCurrency Mint Limited (eCurrency) to provide a digital currency in the WAEMU. BRM will issue the digital tender, eCFA, in compliance with e-money regulations of BCEAO. The eCFAs will be transacted across all existing payment platforms and will be equivalent to physical legal tender. The eCFA distribution will begin in Senegal and will be extended in a second phase to Cote d'Ivoire, Benin, Burkina Faso, Mali, Niger, Togo and Guinea- Bissau. Source no longer available.

## Developments Over Time

Date	Occurrence
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Serbia's new "Digital Asset Law" came into effect December 29, which permits digital asset services to operate in the country with permission from Serbia's regulators. The law was announced in October 2020 and was passed in late November. Serbia's Securities Commission and National Bank (NBS) are the entities supervising and enforcing the law. Under the new rules, trading digital assets will require licensure. The law permits secondary trading of digital assets, OTC-trading, and use of smart contracts in secondary trading--but require an approved white paper for these activities.

12.29.2020 Issuers of digital assets can do so without an approved white paper but will face a limit on the amount of digital assets it can distribute, and issuers must obtain approval to advertise digital assets within Serbia. The new law does not apply to mining. It allows miners to acquire digital assets through mining activities, without licensure. However, financial institutions already under the supervision of NSB are not allowed to engage with digital assets, e.g. to convert existing assets to cryptocurrencies or participate in offering digital assets. Banks can only interact with digital assets in the limited circumstance of keeping cryptographic keys. [Source](#).

The National Bank of Serbia issued a statement that Bitcoin is not legal tender in Serbia or any other country, and cannot be subject to sale and purchase by banks and licensed exchange dealers.

10.02.2014 The statement further warns that due to the lack of legal protections, investing in bitcoin and other similar virtual currencies not issued or backed by a central bank constitutes a risk and may result in financial losses. Source no longer available.

## Developments Over Time

Date	Occurrence
04.17.2020	Singapore's Inland Revenue Authority of Singapore (IRAS) has published guidance on the tax treatment of income from transactions involving digital tokens. The guidance covers the receipt of digital tokens as payment for goods and services, the receipt of digital tokens as employment remuneration, the use of digital tokens as payment for good and services, the sale or purchase of digital tokens, and the issuance of digital tokens through an Initial Coin Offering (ICO). The guidance distinguishes between payment, utility, and security tokens, defining and describing the tax treatment of each. Source no longer available.
02.28.2020	Singapore's Court of Appeals has released a judgment that includes significant analysis of the contract law doctrine of unilateral mistake as applied to algorithmic trading of cryptocurrency. The opinion may be relevant in the context of contractual disputes that involve smart contracts. The case is the first legal dispute in Singapore involving cryptocurrency. Source no longer available.
01.28.2020	The Payments Services Act has gone into effect, putting into force a comprehensive framework for all crypto-related enterprises. The Act expands the scope of payment services regulated by the Monetary Authority of Singapore (MAS) to include digital payments. The Act offers regulatory clarity as to exchanges, stablecoins, and other various transactions and uses of digital currency, ranging from cryptocurrency to digital payments. While the Act requires companies to obtain a license to provide specified payment services, MAS has published a list of entities exempt, for six months, from such requirement. Source no longer available.
10.08.2018	The Monetary Authority of Singapore recently released licensing guidelines for individuals providing "digital advisory services," which the guidelines define as the providing advice on investment products using client-facing "automated, algorithm-based tools" with "limited or no human adviser interaction in the advisory process." The guidelines reflect an attempt by the Monetary Authority of Singapore to make it easier for financial institutions to offer digital advisory services. <a href="#">Source</a> .

Date	Occurrence
04.06.2018	<p>Singapore's minister of finance, Hen Swee Keat, made opening remarks at the 22nd ASEAN Finance Ministers' Meeting in which he indicated that Singapore would continue to support innovations in the FinTech industry and acknowledged the potential that distributed ledger technology (DLT) can provide for the country more broadly. Specifically, Minister Keat discussed the current pilot project between Singapore and Thailand, a project focused on regional "fast payments linkages," which rely on DLT. Although he did not provide details on other projects, Minister Keat indicated that Singapore is dedicated to exploring other blockchain initiatives that would facilitate financial transactions in Southeast Asia and lead to financial inclusion for under banked areas in various countries in the region. Source no longer available.</p>
11.21.2017	<p>The Monetary Authority of Singapore (MAS) published a consultation paper proposing legislation for payment services. The proposed bill would expand the scope of regulation to include the purchase and sale of virtual currencies and other innovations used in domestic money transfers and merchant transactions via point-of-sale or online payment gateways. Specifically, payment firms will only need to hold one license under a single regulatory framework to conduct payment activities, and only certain payment activities will require licensing. The MAS indicated its commitment to ensuring that new legislation is not overly burdensome, noting that the bill will not apply a one-size-fits-all to all payment service providers, but will differentiate in how regulatory requirements apply based on the potential risks of specific payment activities.</p> <p>The new legislation would be incorporated into Singapore's existing laws on payment services, the 2006 Money-Changing and Remittance Businesses Act. The draft is the second of its kind, and was amended following feedback received from the first consultation paper. The current paper is available for comment until January 8, 2018. Source no longer available.</p>
10.03.2017	<p>Deputy Prime Minister Shanmugaratnam of the Monetary Authority of Singapore (MAS) responded to questions from Parliament on the topic of regulating cryptocurrencies and initial coin offerings (ICOs). Noting that virtual currencies themselves are not regulated, the DPM clarified that the MAS regulates activities involving the use of cryptocurrencies and updated legislation will be introduced expanding and streamlining the scope of existing laws. With respect to ICOs, he indicated that the MAS has not issued new specific legislation but continues to monitor the development of coin/token offerings in the event that additional targeted legislation becomes necessary. Source no longer available.</p>
08.01.2017	<p>The Monetary Authority of Singapore announced that it plans to regulate initial coin offerings (ICOs) that it deems to be securities, based on an analysis of facts and circumstances. This is a departure from Singapore's ICO-friendly position, where regulators previously stated that they do not consider token sales to be securities. Source no longer available.</p>
11.16.2016	<p>The Monetary Authority of Singapore announced the development of a blockchain proof-of-concept pilot project that will facilitate inter-bank payments, globally. The project aims to develop a payment system that will enable banks to transact between global markets at any hour, with instant transfer of funds between participants. Source no longer available.</p>
08.29.2016	<p>The central bank of Singapore has proposed a new regulatory framework for payments providers in the city-state, a move that would bring digital currency exchanges under its oversight. The proposed framework would require applicable companies to obtain a license from the Monetary Authority of Singapore (MAS), and divides payment activities into several categories. Digital currency exchanges would be covered by a provision overseeing startups that provide "money transmissions and conversion services." Source no longer available.</p>

Date	Occurrence
03.13.2014	Monetary Authority of Singapore states that it will regulate virtual currency intermediaries to address money laundering and terrorist financing risks. Planned regulations include requirements to verify customer identities and reporting suspicious transactions. Source no longer available.
01.09.2014	Inland Revenue Authority of Singapore (IRAS) reportedly responds to request about taxation. Companies will be taxed on income based on virtual currency sales. When used as an investment, taxed as capital gains. Further, GST could vary depending on the level of services. Reminded that virtual currencies are not "money" or "currency" so they are a good or service for taxation. <a href="#">Source.</a>
09.22.2013	Monetary Authority of Singapore cautions consumers regarding risks of trading in bitcoin. Source no longer available.

## Developments Over Time

Date	Occurrence
04.10.2018	Slovenia and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
12.24.2013	The Slovenian Ministry of Finance indicated that individuals selling bitcoin for capital gains would not pay income tax, but bitcoin miners would pay income tax. Overall, Slovenia intends to review bitcoin taxation on a case-by-case basis. <a href="#">Source.</a>
12.12.2013	Bank of Slovenia reiterated EBA warnings about virtual currencies: (1) can lose money, (2) money may be stolen from virtual wallet, (3) EU refund rights do not protect when VC for payment, (4) value can change quickly, (5) can be used for criminal activity, including money laundering, and (6) consumers may be subject to tax liability. Source no longer available.

## Developments Over Time

Date	Occurrence
01.16.2019	The South African Reserve Bank (SARB) released a consultation paper regarding its approach to virtual currency regulation. In the paper, the SARB recognizes that virtual currency regulation must occur to protect consumers and investors, while allowing the virtual currency industry to grow. The SARB plans to implement a registration scheme for crypto asset service providers including exchanges and wallet providers that offer services to South African customers. The report also recommends that virtual currency remain without legal tender status within the country for now. <a href="#">Source.</a>
08.13.2018	The South African Revenue Services (SARS) recently released a draft cryptocurrency tax legislation. The draft defines the framework of virtual currency taxation in the country. The SARS' stance on the tax treatment of cryptocurrencies is that it will continue to apply normal income tax rules to cryptocurrencies and will expect affected taxpayers to declare cryptocurrency gains or losses as part of their taxable income. Source no longer available.
02.13.2018	The South African Reserve Bank (SARB), the Central Bank in that country, announced its new project designed "to replicate interbank clearing and settlements" on an Ethereum-based blockchain. The project is based on proof-of-concept (PoC) model. Through this project, the Central Bank has expressed its intention to gain a practical understanding of distributed ledger technologies within the banking industry. Source no longer available.

Date	Occurrence
08.23.2016	South Africa's central bank is "open" to cryptocurrencies and blockchain, according to new statements from its governor. Governor Lesetja Kganyago indicated that the South African Reserve Bank is exploring the technology and interested in innovations that may stem from its development. The remarks suggest a greater degree of interest on the part of the central bank in the technology, coming less than two years after it released a position paper on digital currencies. Source no longer available.
02.20.2014	South African Reserve Bank issues warning similar to those of other countries that virtual currencies have no legal statute and cannot guarantee "security, convertibility, or value." <a href="#">Source</a> .

## Developments Over Time

Date	Occurrence
01.07.2021	The South Korean government has amended legislation to tax profits from cryptocurrency trading, which is planned to be enacted in February. The amendment will take effect in 2023 and includes a progressive taxation schedule for capital gains in stocks. Cryptocurrency holders with annual incomes of over 2.5 million won (approx. \$2,300 USD) will be taxed at 20%. The tax levy is not scheduled to begin until 2023. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .
03.06.2020	The South Korean National Assembly has passed a broad framework for regulation of cryptocurrencies and crypto exchanges via a unanimous vote. The law requires crypto service providers to use real-name verification systems and comply with reporting requirements in line with standards set forth by FATF (see FATF, supra). <a href="#">Source</a> .
08.2019	The South Korean government has declared the city of Busan to be a "regulation-free zone" for blockchain development. Blockchain businesses operating in Busan will receive relief from 11 regulations that would otherwise be applicable to the businesses. Busan is among six other jurisdictions in South Korea that received "regulation-free zone" status for various commercial purposes. Several companies plan to test blockchain technology within the sandbox environment, including Busan Bank, Hyundai Pay, and BPN Solution. Source no longer available.
04.12.2019	South Korea lawmakers recently announced an intention to revisit the regulatory policy affecting cryptocurrency firms within the country. The statement came during the Deconomy conference in Seoul (2nd Decentralized Economic Forum), and included officials Byung-Doo Min, chairman of the National Assembly; Byung-Kuk Jung, chairman of the 4th Industrial Revolution Committee of the National Assembly; Hee-Kyung Song, co-president of the 4th Industry Forum of the National Assembly; and Hee-Ryong Won, the governor of Jeju Island. <a href="#">Source</a> .
01.30.2019	South Korea's Financial Services Commission (FSC) will continue its 2017 ban on raising money through virtual currencies, including ICOs. In a January 30 press release, the FSC discussed the results of a survey sent out to 22 companies. The takeaways from the survey include the following: (i) investments in ICOs are still very risky, and poor returns for ICO purchasers is a cause for concern; (ii) companies outside of South Korea are conducting ICOs in more favorable jurisdictions and raising funds from domestic Korean investors; and (iii) there is still a lack of uniform data and information for investors to digest before making ICO investment decisions.
	Because of these issues, the ban on ICOs in South Korea will continue. However, the FSC's press release also discussed plans by the Korean government to research and foster regulated blockchain initiatives. These include pilot projects, tax credits for research and development costs, and training initiatives. Source no longer available.

Date	Occurrence
10.22.2018	South Korea's Financial Services Commission (FSC) issued a note to investors warning about certain risks of investing in cryptocurrency. The note tells investors that cryptocurrency funds are structured similarly to mutual funds, which may lead investors to believe that such funds are legal investments. Importantly, however, cryptocurrency funds may be subject to violations of South Korea's Capital Markets Act. Source no longer available.
07.13.2018	The South Korean Ministry of Strategy and Finance announced a government plan for national investment projects, including a proposed reduction of tax obligations relating to blockchain technology investment support. <a href="#">Source.</a>
06.27.2018	The FSC announced revised virtual currency anti-money laundering guidelines, including an intention to monitor enhanced due diligence with respect to bank accounts that work with virtual currency, and monitor interactions between local and foreign virtual currency exchanges, effective July 10, 2018. The revised guidelines follow on from guidelines released on January 30, 2018 and an inspection of banks subject to the guidelines in April 2018. Source no longer available.
06.15.2018	The Bank of Korea released a research report titled 'Payment and Settlement Systems Report 2017' which noted the research the Bank of Korea were conducting in the area of cryptocurrencies and blockchain and indicated that it would continue research in this area. <a href="#">Source.</a>
03.08.2018	Despite previously threatening to ban ICOs, Korean financial authorities have suggested that they are planning to allow initial coin offerings (ICOs) and blockchain technologies. Korea's Financial Service Commission (FSC) has stated that it hasn't decided yet whether to allow ICOs. Kan Young-soo, who oversees cryptocurrency trading polices at the FSC stated that Korea currently has no plans to regulate cryptocurrencies and blockchain technology, but it plans to regulate them in the future. <a href="#">Source.</a>
12.06.2017	Korea's Financial Services Commission has issued a ban on the trading of bitcoin futures, prompting several securities firms to cancel seminars scheduled in December for bitcoin futures investors. The Korean government has indicated that it will not ban bitcoin exchanges outright, but that ICOs and futures trading will remain subject to the ban. <a href="#">Source.</a>
08.02.2017	A lawmaker in South Korea is pushing for more regulation for digital currency. The representative proposed an amendment to the existing Electronic Financial Transaction Act, which would classify digital currency businesses as digital currency traders, brokers, issuers, and managers. <a href="#">Source.</a>
11.18.2016	Financial regulators in South Korea launched a new digital currency task force, with the goal to introduce new regulations for exchange. Source no longer available.
12.10.2013	Ministry of Strategy and Finance, Bank of Korea, Financial Services Commission, and Financial Supervisory Service said that "cybercurrency" is not a "real legal currency" and does not meet the standard regulations governing currency transactions, either via the Internet or commercial institutions. Also warned about the high volatility in the value of bitcoin, and about its lack of intrinsic value. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
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As of April 2019, a draft cryptocurrency bill is reportedly in process and 'favorable' towards cryptocurrencies.

08.19.2019

The CNMV issued guidance in March 2019 for FinTech companies with activities that may be related to CNMV regulation, including cryptocurrencies. [Source](#).

The Bank of Spain has published a warning on its blog regarding the unregulated cryptocurrency market in the country. The blog post largely discusses the risks associated with making purchases or payments with cryptocurrency, but it also notes that the European Union's own understanding of cryptocurrencies is continuously evolving.

02.18.2019

The Bank of Spain explained that because no laws regarding cryptocurrency regulation have been approved in the country, any kind of crypto-related companies or exchanges are not supervised or authorized in any manner by the bank. The post also cautions that crypto platforms are not subject to Spain's Deposit Guarantee Fund, which protects customers' bank deposits up to €100,000 in the event that a bank goes bankrupt. [Source](#).

Spain and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.

04.10.2018

The Spain's Congress is drafting legislation that would offer potential tax breaks for companies using blockchain technology, and considering further legislation that would make Spain an attractive venue for ICOs. The Spanish People's Party, the party of Spain's Prime Minister, is in charge of the drafting. [Source](#).

02.15.2018

Following its independence referendum, Catalonia is working with fintech experts based in Estonia to create an e-residency program and develop a new digital currency exclusively for the region.

10.28.2017

Despite Spain's continued efforts to maintain legal control over Catalonia, the Catalan government intends for the new digital currency to be free of regulatory control from Spain and the European Central Bank. [Source](#).

04.23.2015

The Ministry of Treasury confirmed that cryptocurrency is exempt from VAT in Spain. [Source](#).

09.11.2014

Ministry of Treasury and General Government reportedly issued a ruling that it will treat Bitcoin as an electronic payment system for purposes of gambling law. It is unclear whether the Ministry's interpretation is applicable to other areas of laws. [Source](#).

## Developments Over Time

**Date**

**Occurrence**

- Deutsche Bank published a report making predictions and recommendations for reinvigorating global economies that have suffered during the COVID-19 pandemic. The report took a definitive position that Central Bank Digital Currency (CBDCs) will replace cash.
- 11.10.2020 The report concluded that Sweden (in addition to China) is leading CBDC initiatives, given that the country has already started piloting a national e-currency. Among other recommendations, the report encouraged European countries to move swiftly towards CBDCs. [Source](#).
- 04.10.2018 Sweden and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.
- 11.15.2016 Sweden's central bank is considering the possibility of issuing its own digital currency, though the exact technology it will use is yet to be determined. The Riksbank said it is facing pressure to make the switch following a decline in domestic cash use. With the news, Sweden becomes the latest nation to see its central bank consider a digital currency, a process that for most has included at least some exploration of blockchain-based digital currencies. Source no longer available.
- 04.24.2015 Sweden announced that it will treat income generated from certain bitcoin mining activity as income from employment. [Source](#).
- 09.18.2014 The Swedish central bank published an article in its biannual economic review journal describing Bitcoin and other virtual currencies, their benefits and risks, use in Sweden and future outlook. Source no longer available.
- 06.18.2014 The Swedish Central Bank issued a commentary analyzing whether virtual currencies have affected the retail payments market, which noted that there are significant risks associated with virtual currency, as it is not subject to regulation. [Source](#).
- 01.22.2014 Swedish Tax Agency official says that Sweden is likely to view virtual currencies as an asset, like art or antiques, and not a currency. [Source](#).

## Developments Over Time

Date	Occurrence
08.26.2019	<p>FINMA notes that its own regulatory environment complies with the Financial Action Task Force's (FATF) digital asset regulation issued in June 2019. FINMA reiterates that blockchain businesses under FINMA's supervision are subject to Switzerland's Anti Money Laundering Act, and, as a result, must verify customer identities, apply a risk-based approach to monitoring for money laundering risks, and report suspicious activity identified on their platforms. In other words, laws that apply to payment orders effected through banking institutions apply equally to blockchain payments as they do to payments conducted through banking institutions.</p> <p>On the same day that FINMA issued its guidance, it also granted banking and securities dealers' licenses to two blockchain companies - SEBA Crypto AG and Sygnum AG. SEBA Crypto AG plans on providing asset management with crypto custodial services and transaction services. Sygnum AG plans on providing wealth management and traditional banking services using blockchain technology. Source no longer available.</p>

Date	Occurrence
12.03.2018	<p>On December 3, Switzerland's Financial Market Supervisory Authority (FINMA) announced new requirements for blockchain companies applying for a FinTech license in Switzerland. The new requirements are notably less restrictive than those imposed on incumbent financial services companies. FINMA's stated goal for the new requirements is to facilitate greater market access for FinTech companies and boost innovation within Switzerland. <a href="#">Source.</a></p>
09.21.2018	<p>The Swiss Bankers Association (SBA) published guidelines to help its member banks continue to serve blockchain companies, which are increasingly looking to open corporate accounts with Swiss banks. The guidelines are the work of an internal working group and the Crypto Valley Association, which have been focused on helping Swiss banks navigate the demand for accounts and the associated diligence requirements. The guidance concludes that blockchain companies that have held an initial coin offering (ICO) for fundraising purposes and companies whose business model touches on blockchain technologies should be treated differently by banks when conducting their diligence to establish an account. <a href="#">Source.</a></p>
02.16.2018	<p>The Swiss Financial Market Supervisory Authority (FINMA) revealed potential ICO regulation, which would use a three-tier system for classifying tokens based on their use and the rights and benefits they confer on a purchaser. The proposed plan, which has not yet been implemented, sets forth four groups of tokens/coins:</p> <ol style="list-style-type: none"> <li>1. Payment tokens (cryptocurrencies), which would not be classified as securities;</li> <li>2. Utility tokens, which would generally not be considered securities if they have a use or can be exchanged for a service. However, the purchaser must be able to use the token at the time of the ICO;</li> <li>3. Asset tokens, which are widely considered securities and are subject to Swiss Securities Laws; and</li> <li>4. Hybrid tokens, which will have to be assessed on a case-by-case basis.</li> </ol> <p><a href="#">Source.</a></p>
09.29.2017	<p>Switzerland's Financial Market Supervisory Authority (FINMA) issued guidance on the increase in initial coin offerings (ICOs) within the country. Additionally, FINMA is investigating several ICOs to determine whether the issuers of those ICOs violated current regulations. <a href="#">Source.</a></p>
11.11.2016	<p>The Swiss Federal Department of Finance (FDF) outlined its plan to regulate fintech with the aim of introducing draft legislation to parliament by mid-2017 after a public consultation. The plan's stated aim was to help the country draw in more fintech companies by virtue of an accommodative stance aimed to reduce barriers to market entry for fintech firms. Source no longer available.</p>
06.16.2015	<p>The Swiss Federal Tax Administration confirmed that bitcoin is exempt from Value Added Tax (VAT) in Switzerland. <a href="#">Source.</a></p>

Date	Occurrence
06.25.2014	The Swiss federal council issued a report on virtual currencies examining the economic significance, legal treatment and risks of virtual currencies. The report concludes that there is no present need for legislative measures to be taken given that virtual currencies are a marginal phenomenon and many of their applications are covered by existing financial, criminal and contract laws. <a href="#">Source.</a>
	The Swiss Financial Market Supervisory Authority issued a fact sheet clarifying that the purchase and sale of bitcoins on a commercial basis, and the operation of trading platforms used to transfer money or bitcoins from a platform's users to other users, are subject to Switzerland's anti-money laundering act. Notably however, a banking license is required by providers who accept bitcoins from clients and administer bitcoin holdings for clients. Source no longer available.
06.20.2014	The Swiss financial market regulator gave its approval for a bitcoin kiosk operator to operate a kiosk network, two weeks after delaying the launch of a different bitcoin kiosk. The regulator's response also set forth the money transmitter licensing and self-regulatory organization membership requirements for operating a Bitcoin kiosk network in Switzerland. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
11.02.2018	Taiwan's Legislative Yuan passed an amendment to the country's Money Laundering Control Act and the Terrorism Financing Prevention Act, giving Taiwan's Financial Supervisory Commission (FSC) the power to require operators of virtual currency platforms to implement a "real-name system" requiring users to register their real names. Banks will also be required to report suspicious anonymous transactions to regulators. <a href="#">Source.</a>
04.26.2018	The Justice Minister of Taiwan has reaffirmed the country's plans to move ahead in passing new regulatory guidance on trading cryptocurrencies and has directed the new regulation to be in effect by November 2018. The goal is for Taiwan's central bank, the Ministry of Interior, and the Bureau of Investigation to determine how each entity will regulate cryptocurrencies. A primary focus of the new regulation will be strengthening Taiwan's AML rules. <a href="#">Source.</a>
03.22.2018	Although no formal regulation has been proposed as yet, Taiwan's government has given indications that it plans to take a more liberal yet measured approach to regulating cryptocurrency and the FinTech sector. A minority party lawmaker, Jason Hsu, has pushed for lawmakers and regulators to craft legislation that gives greater clarity for cryptocurrencies and the FinTech industry. Source no longer available.
05.04.2017	The executive branch of the Government of Taiwan has approved a draft of the Financial Technology Innovative Experimentation Act. The Act would establish a regulatory sandbox for fintech firms to test new financial products in the pilot stage. <a href="#">Source.</a>
11.13.2015	The Financial Supervisory Commission (FSC) released a statement to CoinDesk reiterating an earlier statement defining bitcoin as a "virtual commodity" and refusing to acknowledge it as a currency. The FSC stated "At the end of 2013, the Central Bank of the Republic of China [sic] and the FSC has [sic] released a joint statement that defines Bitcoin as a 'virtual commodity'. Considering the non-currency nature and risk of Bitcoin, the FSC has required banks in Taiwan not to receive or exchange Bitcoin. At present, the FSC's position on this issue remains the same as before." <a href="#">Source.</a>

Date	Occurrence
11.02.2015	Taiwan's Financial Supervisory Commission Chairman recently stated at a legislative hearing the opinion that virtual currencies were illegal. Commission plans to work with the Central Bank to regulate virtual currencies. <a href="#">Source.</a>
12.31.2013	Central Bank and Financial Supervisory Commission warned against use because virtual currencies do not have legal protection. Suggested they may regulate virtual currencies if country financial institutions begin to engage with virtual currencies. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
12.07.2020	On December 7, the Bangkok Post reported that the Excise Department within Thailand's Ministry of Finance, plans to implement blockchain technology to improve its revenue collection systems in the coming year. According to Excise Department director-general Lavaron Sangsnit, blockchain technology will be used to identify the price, import duty, and tax liability of imported products. Thailand has already established a blockchain-integrated procedure for assessing the tax returns of oil exports, which is expected to be implement in the first quarter of 2021. The nation's two other tax agencies, the Revenue Department and Customs Department, will also start rolling-out blockchain systems in their operations, according to the report. Mr. Lavaron stated that tax evasion would be a lot harder with the blockchain integrations because the three departments will be able to coordinate when conducting tax audits. <a href="#">Source.</a>
08.04.2018	The Bank of Thailand announced Thai banks will be allowed to issue digital tokens, provide crypto-brokerage services, be involved with crypto-related businesses, and invest in cryptocurrencies through subsidiaries. However, according to a report in the Coin Telegraph, Thai banks and other financial institutions are still banned from directly dealing with cryptocurrencies. <a href="#">Source.</a>
07.16.2018	The regulations of SEC Thailand pursuant to the Digital Asset Management Act went into effect. Under the regulations, an entity seeking to conduct an ICO must register and receive approval and requests can be made by 'ICO portals' on behalf of projects. <a href="#">Source.</a>
07.02.2018	The association of securities companies (ASCO) in Thailand announced plans to launch a joint cryptocurrency exchange. <a href="#">Source.</a>
05.14.2018	The Digital Asset Management Act BE 2561 was enacted on May 14, 2018. Under the Act, SEC Thailand was granted authority to regulate digital assets, with three categories mentioned: brokers, dealers, and ICO portals. SEC Thailand will release regulations following this enactment. The Bank of Thailand's existing ban on financial institutions partaking in cryptocurrency related activities has not been immediately altered. <a href="#">Source.</a>
03.14.2018	The Cabinet of Thailand (the executive branch of the Thai government) has approved the drafts of two royal decrees that would regulate digital asset transactions and levy taxes on digital assets. A spokesman for the Deputy Prime Minister said that the new legislation would apply to cryptocurrencies and ICOs. The proposals still need to be reviewed by the Council of State before final approval by the Cabinet. <a href="#">Source.</a>
10.27.2017	The Securities and Exchange Commission, Thailand (SEC Thailand) issued a Public Consultation Document setting forth its regulatory approach on Initial Coin Offerings. <a href="#">Source.</a>

Date	Occurrence
08.18.2014	A senior director of the Bank of Thailand reportedly stated that a company providing bitcoin exchange against the baht does not require approval or a license from the central bank. However, exchanging bitcoin for foreign currency would require an operating license granted by the central bank. The official also stated that exchanges also have to comply with related commercial, consumer and anti-money laundering laws. <a href="#">Source.</a>
02.20.2014	Reportedly, the Bank of Thailand concluded that Thai law does not regulate virtual currencies, but that exchanges still cannot operate to the extent that they cannot prevent virtual currencies from being exchanged for currencies other than the baht. <a href="#">Source.</a>
07.29.2013	Bank of Thailand reportedly said, in a meeting with a Bitcoin company, that there is an absence of applicable laws and capital controls and that, buying or selling bitcoin, buying or selling goods or service for bitcoin, or receiving bitcoin from outside Thailand is illegal. Source no longer available.

## Developments Over Time

Date	Occurrence
01.11.2016	Tunisia has been reported to be replacing its self-created eDinar digital currency with a blockchain-based version, making it the world's first country to issue national currency using advanced blockchain technology. <a href="#">Source.</a>
12.28.2015	Tunisia agreed to become the first nation to offer its national currency for transmittance through cryptographic technology. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
11.06.2020	The Draft Bill on Virtual Assets, a crypto-specific bill, passed the first stage of the legislative process, receiving 229 "yes" votes out of 340, and has two more hearings before it can become law. The bill reflects Ukraine's legislative approach of addressing cryptocurrency specifically, including provisions such as definitions for virtual assets and ownership of virtual assets and identifying Ukraine's Ministry of the Digital Transformation as the primary regulator for virtual assets. The bill would also impose registration and compliance requirements on cryptocurrency service providers. <a href="#">Source.</a>
03.04.2020	Ukraine's revenue agency has published guidance for taxpayers to report digital assets as intangible property. Cryptocurrency is described in the guidance in accordance with the definition given by the Financial Action Task Force (FATF) (see FATF, supra). <a href="#">Source.</a>
03.02.2020	The Dubai International Financial Centre and Mashreq Bank have launched the region's first blockchain platform designed to implement KYC. The purpose of the platform is to "support licensed businesses and corporates opening digital bank accounts instantly." <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
10.08.2018	The United Arab Emirates Securities & Commodities Authority announced that it is drafting rules that will govern token sales under its securities jurisdiction and is working with industry to develop trading platforms for cryptoassets. The Authority plans to have finalized regulations in place by mid-2019. <a href="#">Source.</a>

Date	Occurrence
03.28.2018	The Dubai Multi Commodities Centre (DMCC) issued the first license to a cryptocurrency-trading financial company. The DMCC is a large free economic zone in the UAE that does not levy personal or corporate income tax. The newly-licensed company is a subsidiary of an international gold investment firm, now offering deep cold storage to investors and traders for cryptocurrencies under its "Crypto trading license." <a href="#">Source.</a>
02.01.2017	On January 1, 2017, the Central Bank of the UAE issued a Regulatory Framework for Stored Values and Electronic Payment Systems, prohibiting "all Virtual Currencies (and any transactions thereof). The Central Bank of the United Arab Emirates (UAE) has clarified its past statements about a prohibition on "virtual currencies", confirming that rules released last month do not apply to bitcoin. Caution is advised until a formal statement is released by the Central Bank. Source no longer available.

## Developments Over Time

Date	Occurrence
11.09.2020	<p>Following its departure from the European Union, the United Kingdom has released a Financial Services Statement detailing certain new approaches that HM Treasury will take in the future. The Chancellor of the Exchequer, Rishi Sunak, said the government will propose a regulatory plan for stablecoin initiatives to bring them under the same level of oversight as traditional payment methods.</p> <p>The chancellor said he supported the Treasury and Bank of England's research and work on a CBDC in the U.K., without providing details or status of such a program. A press release from the Exchequer said that the U.K. wants to "lead the conversation" about new technologies like stablecoins and CBDCs and remain at the forefront of technological innovation.</p> <p>On November 12, Bank of England Governor Andrew Bailey said in a panel discussion with the European Central Bank that he did not think stablecoins could be trusted as a store of value like traditional currencies and did not believe they should be broadly adopted. He did, however, express confidence in a CBDC, which he believes provides a "guarantee and certainty of value." <a href="#">Source.</a></p>
03.06.2020	<p>Cryptoassets have been identified as a growing conduit for global money laundering in HM Treasury's Economic Crime Plan. In response to this risk, HM Treasury "has implemented the Fifth Money Laundering Directive (5MLD) through amending the UK's Money Laundering Regulations (MLRs); this designated the FCA [Financial Conduct Authority] as the AML supervisor for specific cryptoasset activities; which goes beyond the 5MLD to include a broader set of activities, such as Initial Coin Offerings (ICOs), as recommended by FATF last year." The FCA's AML regime extends to specific activities, such as exchange, custody, ICO's, and crypto-ATMs. Firms that undertake activities within the regime overseen by the FCA must satisfy the FCA as to their activities. <a href="#">Source.</a></p>

**Date****Occurrence**

The U.K. Financial Conduct Authority (FCA) has finalized and published a comprehensive policy statement that lays out guidance, including a reframed taxonomy of cryptoassets, to assist market participants in understanding whether cryptoassets are regulated by the FCA or whether they are outside their regulatory perimeter. The finalized guidance distinguishes cryptoassets as (1) security tokens, (2) e-money tokens, or (3) unregulated tokens.

A security token is described as a token that provides rights and obligations akin to "specified investments" (as defined in the Regulated Activities Order (RAO), including those that are financial instruments under the second Markets in Financial Instruments Directive), and explicitly excludes "e-money tokens." For example, security tokens are likely to have characteristics that mean they are the same as or akin to traditional instruments like shares, debentures, or units in a collective investment scheme. Security tokens are subject to the FCA's oversight under the RAO, pursuant to the Financial Services and Markets Act of 2000.

07.2019 E-money tokens are cryptoassets that meet the definition of "e-money" under the E-Money Regulations 2011 (EMRs), namely, cryptoassets that represent "(i) electronically stored monetary value that represents a claim on the issuer, (ii) issued on receipt of funds for the purpose of making payment transactions, (iii) accepted by a person other than the issuer, and (iv) not excluded under regulation three of the EMRs." E-money tokens are subject to the FCA's oversight under the EMRs (and potentially other legislation).

The final category of unregulated tokens are all other tokenized cryptoassets that do not meet the definition of a security token or an e-money token. These cryptoassets, as the name implies, fall outside the FCA's regulatory perimeter. This unregulated category potentially includes cryptoassets colloquially referred to as "utility tokens" and "exchange tokens," provided that they do not otherwise meet the definition of a security token or e-money token. The guidance also addresses "stablecoins" (i.e., cryptoassets that attempt to stabilize volatility), noting that such stablecoins cannot be readily categorized and require a case-by-case analysis to determine their category.

[Source.](#)

03.07.2019 The United Kingdom's Financial Conduct Authority (FCA) is proposing a prohibition on cryptocurrency-based derivatives. According to a March 7, 2019, press release, the FCA alleges that these types of financial products are inappropriate for retail investors "who cannot reliably assess the value and risks of derivatives or ETNs that reference certain cryptoassets" and a ban is necessary to protect investors. FCA officials estimate that the prohibition could provide a £75 million to £234.3 million a year benefit to retail investors.

The FCA also announced plans to publish its final guidance on Cryptoassets later this summer. The guidance seeks to help market participants better understand how the FCA's regulations apply to cryptocurrencies. We discussed this guidance in a previous blog post. [Source.](#)



**Date****Occurrence**

01.23.2019 The United Kingdom's Financial Conduct Authority (FCA) recently published a consultation paper (CP19/3) providing guidance on various aspects of "cryptoassets." The FCA is seeking public comment on its guidance. The consultation closes May 4, 2019, and the FCA anticipates issuing a policy statement in Summer 2019. The guidance divides cryptoassets into three categories - exchange tokens, security tokens, or utility tokens. The guidance states that exchange tokens are generally outside the FCA's regulatory authority. Security tokens are likely within the FCA's authority. Utility tokens typically do not have features that would make them similar to securities, and so would not be regulated by the FCA unless the utility tokens meet the definition of e-money. The FCA confirms that in some instances, depending on how they are structured, cryptoassets can constitute e-money. It notes that exchange tokens like Bitcoin, Ether and other equivalents are unlikely to represent e-money because, amongst other things, they are not usually centrally issued on the receipt of funds, nor do they represent a claim against an issuer. The FCA is clear that the use of cryptoassets are not covered by the scope of the PSRs because they only cover activities with regards to funds (and cryptoassets are not deemed 'funds'). The FCA notes that stablecoin, or any token that is pegged to a currency (like USD or GBP) and is used for the payment of goods or services on a network, could potentially meet the definition of e-money if all other requirements are met.

The proposed FCA Guidance clarifies where different categories of cryptoasset tokens fall to be in relation to the FCA's regulatory perimeter. It specifically focuses on whether cryptoassets are likely to be:

- specified Investments under the UK's Regulated Activities Order (RAO)
- financial Instruments under MiFID II
- e-money under the Electronic Money Regulations 2011 (EMRs)
- captured under the Payment Services Regulations 2017 (PSRs)

[Source.](#)

12.19.2019 Her Majesty's Revenue & Customs (HMRC) issued a policy paper on the taxation of crypto-assets for individuals (the Policy Paper). The document updates Brief 9, the prior HMRC guidance published in March 2014. The scope and content of the Policy Paper follows the framework in Notice 2014-21 published by the Internal Revenue Service in the United States. However, it discusses updated topics that can help inform the US Treasury as it prepares additional guidance. Similar to Notice 2014-21, the Policy Paper only addresses the taxation implications for individuals who acquire or dispose of "exchange tokens," which the Policy Paper defines as tokens "intended to be used as a method of payment and encompasses 'cryptocurrencies' like bitcoin." [Source.](#)

09.19.2018 The UK Parliament's Treasury Committee issued a report in which they recommended regulation of the crypto-asset market. The report concluded that "Crypto-assets have no inherent value," and that their volatility poses risks for inexperienced investors. The Committee found that self-regulating bodies within the crypto industry are insufficient to protect investors, concluding that the Financial Conduct Authority should serve as the lead regulatory body to, at a minimum, addresses consumer protections and anti-money laundering concerns. [Source.](#)

Date	Occurrence
08.07.2018	<p>The United Kingdom's Financial Conduct Authority (FCA) announced the creation of the Global Financial Innovation Network (GFIN). GFIN is a collaborative effort with twelve financial regulators from around the world to create a network that will provide an efficient way for FinTech firms to interact with and navigate financial regulators while building new and innovative ideas. <a href="#">Source.</a></p>
06.11.2018	<p>The two leading United Kingdom financial regulators each issued "Dear CEO" letters on the topic of crypto-assets. On June 28, the Bank of England Prudential Regulation Authority (PRA) followed up a June 11 letter by the FCA on the risks and obligations of providing services to clients relating to crypto-assets. <a href="#">Primary Source.</a> <a href="#">Secondary Source.</a></p>
04.10.2018	<p>The U.K. and 21 other countries signed a declaration creating the European Blockchain Partnership (EBP). The goals of the EBP are to establish a European Blockchain Services Infrastructure (EBSI) to support the delivery of cross-border digital public services while adhering to established standards for security and privacy. Source no longer available.</p>
04.06.2018	<p>The Financial Conduct Authority (FCA), a financial regulatory body in the UK, announced on April 6 that companies offering cryptocurrency derivatives would likely require authorization from the FCA. Any company seeking to offer cryptocurrency derivatives would need to comply with applicable FCA rules and EU regulations. The FCA does not currently regulate cryptocurrencies unless they are part of other regulated products or services; however, cryptocurrency derivatives could be considered financial instruments under the EU's Markets in Financial Instruments Directive II (MiFID II). According to the FCA statement, activities that will likely require FCA authorization include cryptocurrency futures, cryptocurrency contracts for differences, and cryptocurrency options. <a href="#">Source.</a></p>
11.14.2017	<p>The Financial Conduct Authority in the UK published a warning to consumers about the risks of investing in cryptocurrency contracts-for-differences. The risks include (1) price volatility; (2) leverage, potential multiplying the losses of the investor; (3) fees; and (4) lack of price transparency. Investors are protected by FCA regulation, which required that firms offering CFDs be authorized and supervised by the FCA; individual complaints can be referred to the FCA's ombudsman; and eligible consumers have access to the Financial Services Compensation Scheme. <a href="#">Source.</a></p>
10.27.2017	<p>The UK Parliament is discussing amendments to the European Union's current Anti-Money Laundering Directive, which would include cryptocurrency. The proposed amendments would bring digital currency exchange platforms and custodian wallet providers under the purview of existing legislation. Discussions for amendments are expected to run through the end of 2017/early 2018. <a href="#">Source.</a></p>
07.25.2017	<p>The London Stock Exchange announced its partnership with IBM to adopt a blockchain model to digitize securities certificate data. Small private European companies will be able to interact with shareholders and vice versa. <a href="#">Source.</a></p>
04.17.2017	<p>The Governor of the Bank of England stated that the fintech sector did not need the same level of regulations as banks. Britain has seen a large boom of business from fintech firms, which employ more than 60,000 people there and is a business worth nearly 7 billion pounds (for companies providing services like contactless payments, banking apps and online crowd sourcing). <a href="#">Source.</a></p>
12.02.2016	<p>The UK's government-owned Royal Mint plans to use blockchain technology to operate a new gold-trading system. The Royal Mint is working to put \$1 billion worth of gold on a blockchain sometime next year to allow customers to own and trade fractions of gold, stored in the Royal Mint's vaults, using a digital token called Royal Mint Gold (RMG). Each RMG holds the value of one gram of gold. <a href="#">Source.</a></p>

Date	Occurrence
10.14.2016	Light touch regulation of virtual currency exchanges have come into effect on the autonomous island of Jersey in the UK. The new laws make virtual currency exchange a supervised business and require exchange businesses with an annual turnover threshold of £150,000 or more to register with the Jersey Financial Services Commission (JFSC). Digital currency service providers will be sanctioned if they fail to register within three months of crossing that threshold. <a href="#">Source.</a>
04.29.2016	The UK Treasury published a report last week describing the government's plans to stop money laundering and terrorist financing risks. As part of the plans, the government will implement AML regulation. However, it will not seek to impose these AML regulations on virtual currency wallet providers. <a href="#">Source.</a>
10.2015	The UK Treasury published a risk assessment in October 2015 of money laundering and terrorist financing. According to the report, the majority of the illicit transactions involving virtual currencies involve online markets and the sale and purchase of controlled substances and firearms, rather than terrorism and money laundering. The report noted that "[t]here is little evidence to indicate that the use of digital currencies has been incorporated into established money laundering techniques [...] [and] little evidence to indicate that the use of digital currencies has been adopted by criminals involved in terrorist financing." <a href="#">Source.</a>
03.2015	In a Treasury report released in late March, the UK Government announced plans to regulate bitcoin exchanges with anti-money laundering regulations, while at the same time committing significant funds to research and study of Bitcoin technology. <a href="#">Source.</a>
09.01.2014	Bank of England issued a report assessing the macroeconomic effects of digital currencies. The report concludes that digital currencies do not currently pose a material risk to monetary or financial stability in the U.K. Source no longer available.
01.13.2014	HMRC reportedly considering categorizing virtual currencies as a "private currency," which would eliminate profits taxes. <a href="#">Source.</a>
07.08.2013	HMRC reportedly wrote to FYB-UK that there is no requirement for an exchange to register under UK money laundering regulations. <a href="#">Source.</a>
06.19.2013	Her Majesty's Revenue & Customs (HMRC) says that digital currencies are covered by the UK tax system and, when used to pay someone for goods and services, the profits are taxable. <a href="#">Source.</a>

## Developments Over Time

[Perkins Coie Virtual Currency Report](#)

## Developments Over Time

Date	Occurrence
07.03.2018	The President of Uzbekistan has allegedly signed a decree on the development and integration of blockchain technology, cryptoassets, and crypto mining intended to advance 'digital economics' in the country. <a href="#">Source.</a>

## Developments Over Time

Date	Occurrence
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07.12.2019 Venezuelan President Nicolás Maduro recently ordered the Bank of Venezuela to allow its customers to access the country's state-sponsored cryptocurrency, the petro. While the order only applies to the Bank of Venezuela, reports state that private banks operating in the country could also be under a similar requirement soon. The requirement is reportedly part of an effort to popularize use of the coin within the country. [Source](#).

10.05.2018 Venezuelan citizens must now pay for new passports using the country's oil- and mineral-backed cryptoasset, the Petro. Each passport costs 2 Petros, which is four times the country's monthly minimum wage. [Source](#).

02.20.2018 Venezuela launched its government-backed "Petro," which had been planned since late 2017. Each token will be backed by, and valued at the price of, a barrel of Venezuelan crude oil, according to President Maduro. The official website for the Petro published guidelines for how to set up a virtual Petro wallet, but no information was provided on exchanges supporting the currency. President Maduro indicated that a private sale will be held to attract investment from international investors.

The launch follows a declaration by Venezuela's opposition-led parliament in January 2018 that the Petro is illegal, in that it violates constitutional requirements that the legislature approve any borrowing measures. The opposition party also attacks the Petro as an effort by President Maduro to mortgage the country's oil and will attract corruption. [Source](#).

12.03.2017 Venezuela has plans to launch its own digital currency, the "petro", backed by oil, gas, gold and diamond reserves. President Nicolas Maduro announced the launch, which he said would Help Venezuela advance its sovereignty and overcome the burdens of global economic sanctions. [Primary Source](#). [Secondary Source](#).

09.03.2017 Venezuelan authorities have been cracking down on cryptocurrency mining in the last few months, as a result of mining operations using excessive electricity. Hyperinflation in Venezuela since 2012 has made cryptocurrency mining very lucrative not just for larger operations, but individuals struggling to support themselves and their families. However, the government carefully monitors the use of electricity, which is subsidized in Venezuela, and has arrested people suspected of using too much. Source no longer available.

## Developments Over Time

Date	Occurrence
07.26.2018	Vietnam's State Securities Commission (Commission), the country's financial security regulatory body, announced that it would not allow many companies and businesses to engage in virtual currency business activity. The Commission banned public companies, investment advisors and fund management companies from using or investing in any virtual currency. <a href="#">Source</a> .
07.19.2018	The Vietnamese Central Bank has agreed to suspend the import of cryptocurrency mining hardware. <a href="#">Source</a> .
04.13.2018	Following a crypto fraud resulting in the loss of 15 trillion Vietnamese dong (\$658 million), the Vietnamese government issued a directive to six government ministries, in addition to financial institutions including Vietnam's central bank, to tighten oversight and management of cryptocurrency activities within the country. The prime minister of Vietnam reiterated in a separate statement that transacting in cryptocurrencies remains illegal in Vietnam. <a href="#">Primary Source</a> . <a href="#">Secondary Source</a> .

Date	Occurrence
10.28.2017	The State Bank of Vietnam, Vietnam's central bank, has issued a ban on the use of digital currencies, which is scheduled to go into effect at the beginning of 2018. The only authorized payment methods are those issued or controlled by the State Bank. The ban will not affect individuals who transact using cryptocurrencies, but will only impact centralized companies. Companies running afoul of the law will be fined. <a href="#">Source.</a>
02.27.2014	State Bank of Vietnam recommends not investing in, holding, or transacting in virtual currencies because of harm and risks of use for criminal purposes, lack of technical security and vulnerability to hacking, price volatility, and lack of a central government authority. It also determined that virtual currencies are not money nor are they a form of legal payment in Vietnam. Source no longer available.

## Developments Over Time

Date	Occurrence
05.14.2018	The Reserve Bank of Zimbabwe (the country's central bank) has directed all banks to refrain from providing banking services to anyone dealing with or settling virtual currencies, citing fears of money laundering and other criminal activity. Cryptocurrency exchanges are not affected by the ban for now. The ban is not expected to hinder peer-to-peer transactions; merely settling between banks. <a href="#">Source.</a>

## Authors

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