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PRESS RELEASE

CySEC proposes bringing Crypto Asset Activities under the ambit of the AML Law, in order to tackle Money Laundering Risks

NICOSIA – The Cyprus Securities and Exchange Commission (“CySEC”), has issued a Consultation Paper today, proposing the transposition of the provisions of the 5th AML Directive (“AMLD5”) into national law.

Since launching the CySEC Innovation Hub, CySEC has been contacted by entities engaging in crypto-asset activities; a number of which do not appear to fall within the existing regulatory framework. As a consequence, CySEC considers the transposition of the parts of the AMLD5 concerning crypto asset activities, into national law, as appropriate.

Taking into consideration the FATF recommendations, CySEC also advises on gold-plating AMLD5 in order to bring the following activities under the AML/CFT obligations (which are not included in AMLD5):

- a) exchange between crypto assets,
- b) transfer of virtual assets, and
- c) participation in and provision of financial services related to an issuer’s offer and/or sale of a crypto asset.

In CySEC’s view, such an extension is necessary and proportionate as it will address the AML risks emanating from crypto assets activities in a more comprehensive manner.

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