



Acquarius Trust Group
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Gibraltar Cryptocurrency

“Gibraltar has rather uniquely (and ahead of its competitors) created a sensible regulatory framework that should safe guard customers, encourage entrepreneurs, and not stifle innovation”

*the people
the service
the quality*

Background

Over the past 6 months the Government of Gibraltar has been proactive in the introduction of a legislative framework for Distributed Ledger Technology (DLT).

After the initial proposals for the DLT Regulatory Framework were published HM Government of Gibraltar announced the introduction of the DLT Regulatory Framework on 12th October 2017. This new legislation, “Financial Services (Distributed Ledger Technology Providers) Regulations 2017” comes into operation on 1st January 2018.

A brief look

DLT has been around for over 8 years. From its early beginnings it is now coming to the fore and its benefits/ uses are clear.

Developed through collaboration amongst industry, government and the regulator, the new legislation provides a robust and safe principles-based framework designed for firms carrying out business activities, in or from Gibraltar, that use distributed ledger technologies for storing or transmitting value belonging to others.

The principles contained within the legislation, set out the requirement for licensed DLT Providers to:

- ⇒ Conduct business with honesty and integrity;
- ⇒ Pay due regard to the interests and needs of customers and communicate with them in a fair, clear and unambiguous manner
- ⇒ Maintain adequate financial and non-financial resources;
- ⇒ Manage and control its business effectively, and conduct its business with due skill, care and diligence;
- ⇒ Have arrangements, where applicable, for the protection of customer assets and money;
- ⇒ Have effective corporate governance arrangement;

- ⇒ Maintain the appropriate high standards of system and security access protocols;
- ⇒ Have systems to prevent, detect and disclose financial crime risks including money laundering and terrorist financing;
- ⇒ Be resilient and have contingency arrangements for the orderly and solvent wind down of its business.

Licence Applications

The legislation sets out the licence application procedure, which includes the need for businesses to submit an initial application assessment request to the Licensing Authority prior to applying for a DLT Provider's Licence.

Transitional arrangements have also been introduced applicable to those firms already in the business of providing DLT services prior to the regulation coming into operation.

Those operators who intend to continue to provide DLT services must apply for a DLT Provider's Licence within three months of 1st January 2018.

For More Information Contact

Oliver Andlaw
Managing Director
+350 200 50418 |
oliver@acquarius.gi

The Acquarius View

The Board at Acquarius welcomes the Gibraltar Government's publication of the Financial Services (Distributed Ledger Technology Providers) Regulations 2017. This really makes Gibraltar an extraordinarily exciting jurisdiction for Fintech Companies and their possible business establishment.

Its legal Director Nick Cruz whose associated law firm has been advising on Fintech Business and establishment of virtual currencies since 2014 believes that: *“Gibraltar has rather uniquely (and ahead of its competitors) created a sensible regulatory framework that should safe guard customers, encourage entrepreneurs, and not stifle innovation”,* he added: *“the blend of sensible regulatory principles such as honesty, integrity, governance and adequate resources can work brilliantly in a new frontier of cyber business for end user protection, without killing the golden goose that is this promise of this new DLT technology”.*

Acquarius can facilitate the establishment of such enterprise through its wide range of readily available skills be it company management, accounting or legal.

Nick Cruz
Legal Director
+350 200 79423 |
nick@acquarius.gi