



Register of Crypto-Asset Services Providers

Following the transposition of the 5th AML Directive into national legislation, the definition of “obliged entities” under article 2A under the Prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007-2021 (the “**AML Law**”) has been revised to include the Crypto-Asset Services Providers (the “**CASPs**”).

Thereafter, the Cyprus Securities and Exchange Commission (the “**CySEC**”) pursuant to Article 61E of the AML Law, has issued the Directive 269/2021 (the “**Directive**”) regarding the establishment of a Register of CASPs (the “**Register**”).

The establishment of the Register constitutes a very positive and promising initiative of Cyprus towards cryptocurrency and distributed ledger technologies as Cyprus appears to encourage the growth and development of a transparent innovative financial sector.

A. Crypto-assets

Crypto-assets are defined as a digital representation of value that was not issued or guaranteed by a central bank or public authority, which are not necessarily attached to a legally established currency, and do not possess a legal status of currency or money, but are accepted by persons as a means of exchange or investment and which can be transferred, stored, or traded electronically and that is not:-

- Fiat currency;
- Electronic money;
- Financial instruments as defined in the Law on the Provision of Investment Services and Activities and Regulated Markets.

B. Crypto-Asset Services Provider

A CASP is defined as a person who provides or undertakes one or more of the following services and/or activities to another person or on behalf of another person, which do not fall within the services and/or activities of the obliged entities stated in paragraphs (a) to (h) article 2A of the AML Law:

- a. Exchange between crypto-assets and fiat currencies;
- b. Exchange between crypto-assets;
- c. Management, transfer, holding, custodianship and safekeeping of crypto-assets or cryptographic keys or means which allow the exercise of control in crypto-assets;
- d. Participation and/or provision of financial services in relation to the distribution, offering and/or sale of crypto-assets, including the initial offering.



C. Register

CySEC is the competent authority responsible for the establishment of the Register. The Register shall be publicly accessible and shall include the following information:-

1. Commercial name, legal form and the legal entity identifier;
2. Address and the services that will be provided and/or undertaken;
3. Website of the CASPs.

D. Application Procedure

The applicant must provide CySEC with all requested information and documents stated in the Directive.

CySEC has six (6) months from the submission date to review the application and inform the applicant in relation to the outcome of his application. The applicant must pay the amount of Euro 10,000 upon the submission of his application and a yearly renewal fee of Euro 5,000.

How we can help:

We provide our clients with bespoke services based on their needs and more specifically:

1. Provide support in relation to the preparation of the application form and supporting documentation in accordance with the provisions of the Directive.
2. Advise and undertake the corporate and organisational structure based on the proposed business model of the in order to be in compliance with the provisions of the Directive.
3. Ongoing monitoring and support with regards to all impeding developments of the crypto-assets regulations and directives issued by CySEC.

DISCLAIMER

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