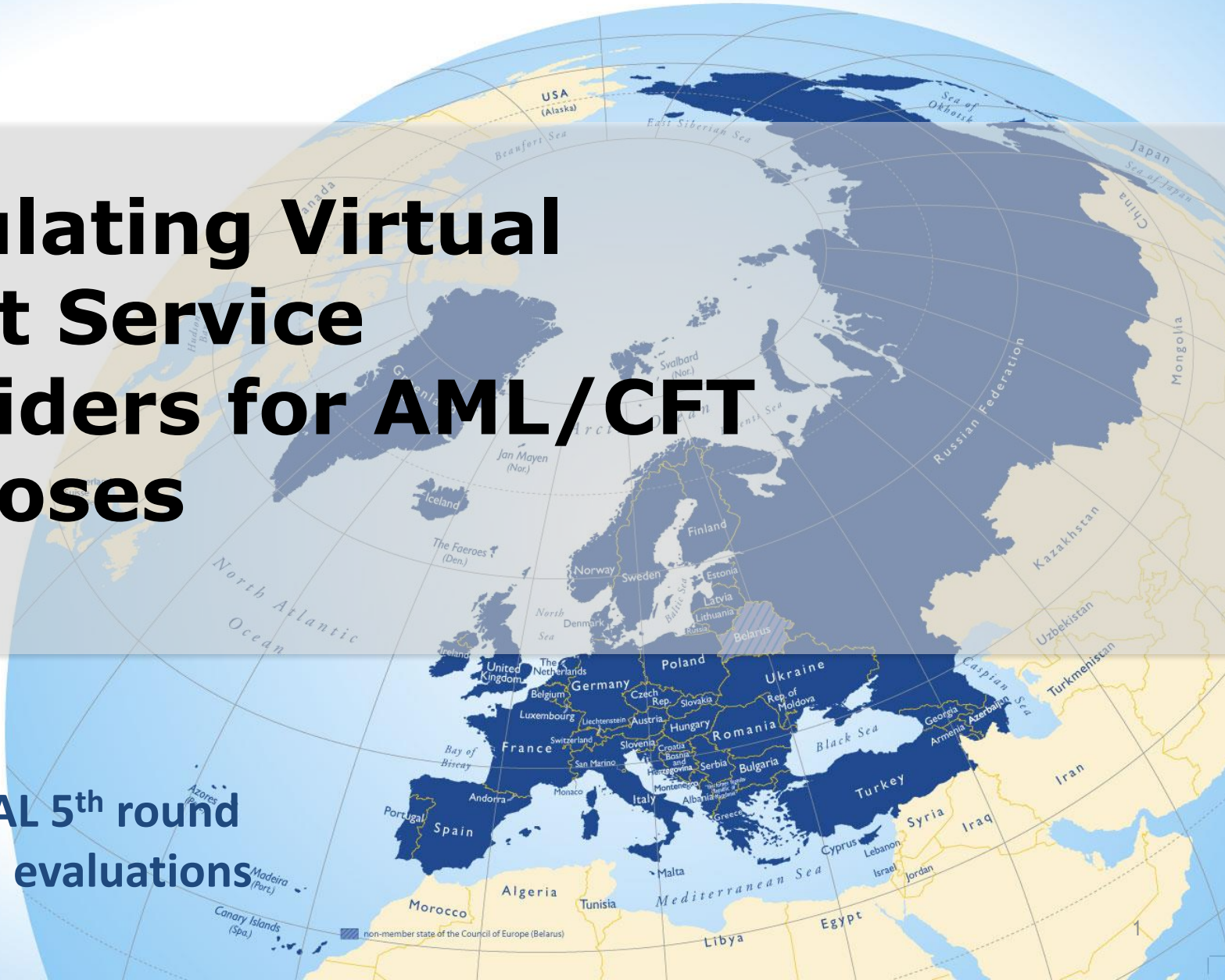


# Regulating Virtual Asset Service Providers for AML/CFT purposes

MONEYVAL 5<sup>th</sup> round  
of mutual evaluations



■ non-member state of the Council of Europe (Belarus)

## MONEYVAL in brief



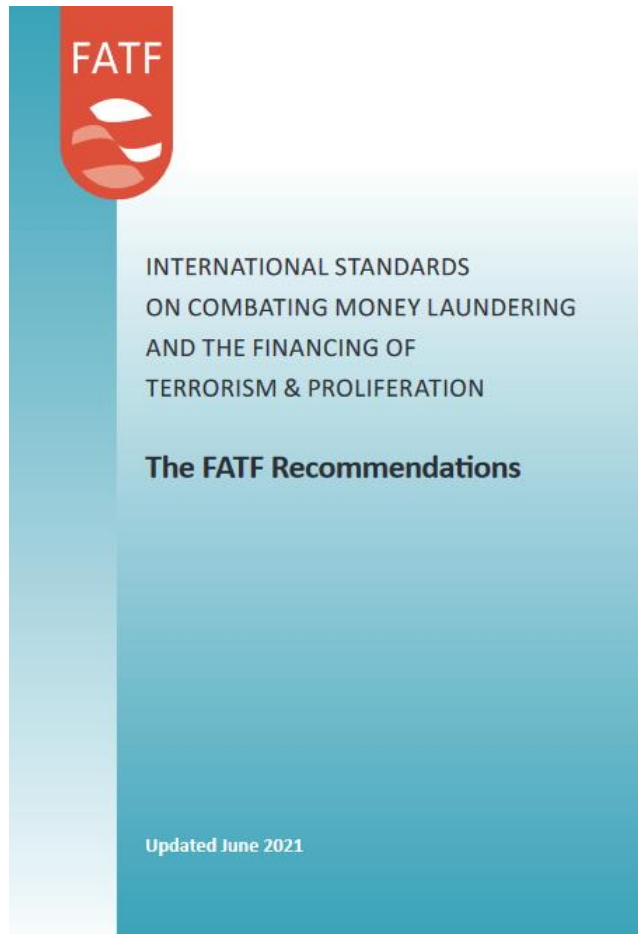
## FATF definition



*“A **virtual asset** is a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes.*

*Virtual assets do not include digital representations of fiat currencies, securities and other financial assets that are already covered elsewhere in the FATF Recommendations.”*

## FATF definition



### **Virtual Asset Service Providers**

- **Exchange** between virtual assets and fiat currencies
- **Exchange** between one or more forms of virtual assets
- **Transfer** of virtual assets
- **Safekeeping and/or administration** of virtual assets or instruments enabling control over virtual assets, and/or
- **Participation in and provision of financial services** related to an issuer's offer and/or sale of a virtual asset

## Recommendation 15 New technologies



- *To manage and mitigate the risks emerging from **virtual assets**, countries should ensure that **virtual asset service providers** are **regulated** for AML/CFT purposes, and **licensed or registered** and subject to effective systems for **monitoring and ensuring compliance** with the relevant measures called for in the FATF Recommendations*

## Recommendation 15 The risk assessment



Identify and assess the money laundering and terrorist financing risks emerging from virtual asset activities and the activities or operations of VASPs

Apply a risk-based approach to prevent or mitigate the risks identified

Require VASPs to take appropriate steps to identify, assess, manage and mitigate their money laundering and terrorist financing risks

## Recommendation 15 Licencing or registration



VASPs are required to be licensed or registered



prevent criminals or their associates from holding, or being the beneficial owner of, a significant or controlling interest, or holding a management function in, a VASP



identify natural or legal persons that carry out VASP activities without license or registration, and apply appropriate sanctions

## Recommendation 15 Supervision



VASPs are subject to adequate regulation and risk-based supervision or monitoring



supervisors have adequate powers to supervise or monitor VASPs with requirements to combat money laundering and terrorist financing



## Recommendation 15

### Guidance, feedback and sanctions



competent authorities and supervisors should establish guidelines, and provide feedback, to assist VASPs



proportionate and dissuasive sanctions



## Recommendation 15 VASPs should



conduct CDD on occasional transactions above USD/EUR 1 000



obtain and hold required and accurate originator information

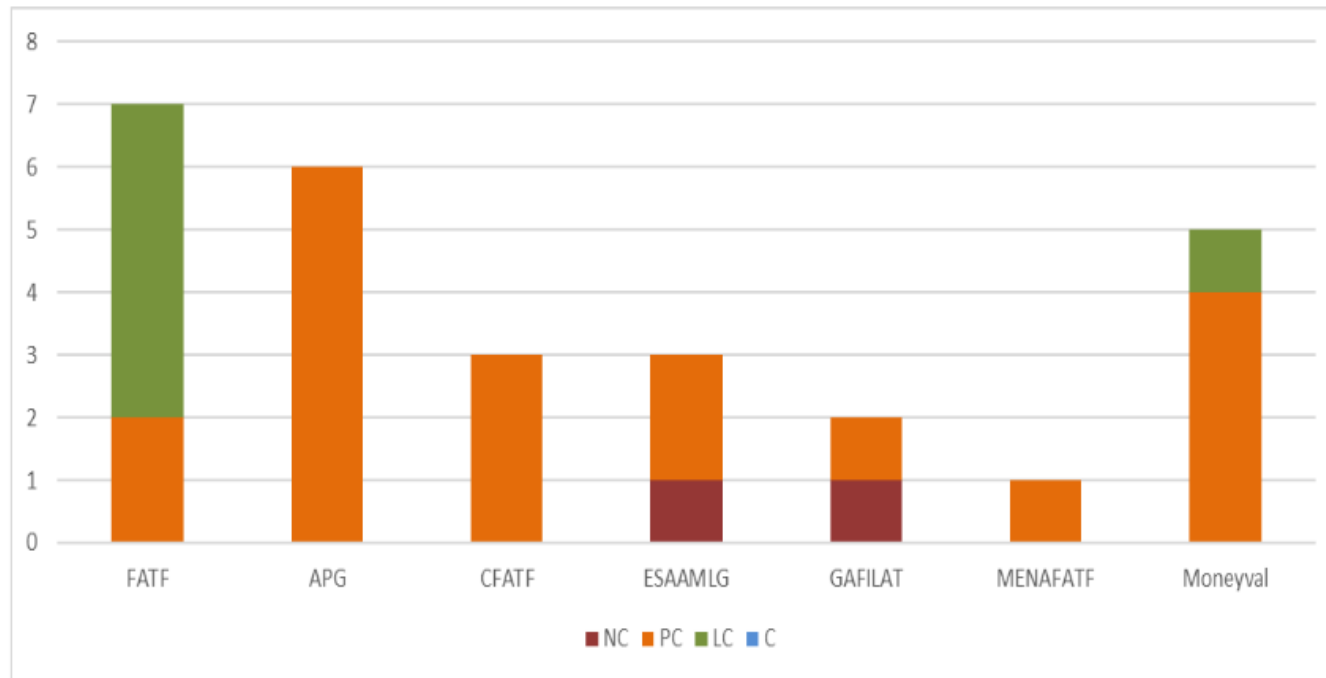


taking freezing action and prohibiting transactions with designated persons and entities



## Technical compliance ratings

Graph 1. R.15 assessment by FATF/FSRB region



Countries have difficulties complying with the requirements of R15