



By Adrian Zmudzinski

JUL 24, 2019

## Germany: Crypto Businesses Will Require a BaFin License Next Year

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Starting next year, new Anti-Money Laundering (AML) regulations will come into effect in Germany. The regulations will require cryptocurrency businesses to hold a Federal Financial Supervisory Authority (BaFin)-issued license, Cointelegraph Deutschland [reported](#) on July 24.

### Possible innovation obstruction

Per the report, the new regulations will require cryptocurrency businesses to hold a Federal Financial Supervisory Authority (BaFin)-issued license as exchanges and wallet providers to be licensed by BaFin and comply with AML regulations. Cryptocurrency will be considered a financial instrument starting on January 1, 2020. The report was published by the media FAZ, Bundestag Free Democratic Party

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Frank member Schäffler commented on the article "Regulatory clarity in Germany" and forcing crypto businesses to move to other countries.



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## Some welcomed regulatory clarity in Germany

On the other hand, Christian Schmies, partner of the law firm Hengeler Mueller, welcomed the regulation suggesting that more clarity will allow for further growth in the industry. According to him, "the technology has not yet been accepted by institutional investors because a reliable legal framework is missing." While Schmies considers the classification as a financial instrument to be a step in the right direction, he also notes that the space still needs more clarity.

As Cointelegraph [reported](#) yesterday, BaFin recently approved an Ethereum-based real estate bond for security issuance firm Fundament Group.

The German Central Bank also noted in a recent [statement](#) that the potential benefits of Facebook's Libra should not be suppressed despite regulatory uncertainty and potential risks.

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