

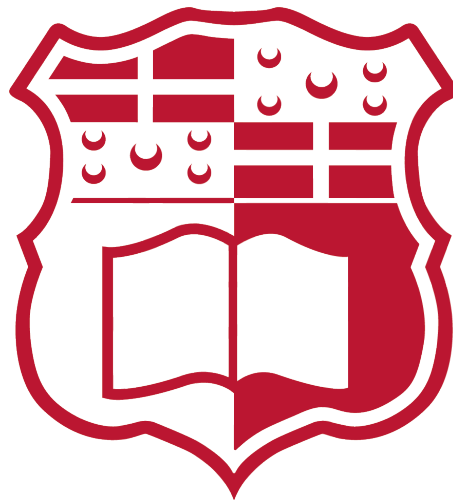
# Virtual Asset Deployment in Small Island States:

## The Case of Malta

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## Abstract

Since the inception of virtual assets, regulatory approaches by small island states have been marginalised and discredited for enabling the blockchain industry. Without being formally connected to the discourse on small states as financial centres, the literature on virtual asset regulation has reinforced the narrative of risky, secretive and vulnerable societies to financial crime. This research counters this narrative in the case of Malta. Despite its self-proclamation as *blockchain island*, Malta is proven to be competitive and compliant with EU law. For challenging the narrative of Malta being labelled as 'tax haven' in the EU, the case of Malta is analysed multidisciplinary. A three-phased mixed methods case studies was undertaken to test Malta's compliance with EU legislations on anti money laundering and combatting terrorist financing in respect to the 2018 introduced virtual financial asset framework. The theory-driven hypothesis testing was undertaken by the methods of text mining, keyword queries and qualitative data analysis, which examined Maltese acts and EU directives as documents. Eight pieces of legislation were coded and determined that the Maltese DLT framework complies with EU AML legislation and is competitive because elements of Maltese governments were traced in the proposal for a directive on Markets in Crypto-Assets by the European Commission.

**Keywords:** Malta, mixed methods, virtual assets, DLT, small islands, competitiveness, anti money laundering, FATF, compliance, QDA, EU, regulation, financial services

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# 1 Introduction

In the contemporary discourse on virtual asset (VA) regulation critical stances seem to have prevailed and especially targeted small island states, such as Malta (Gruber, 2013; Marian, 2019). Since virtual assets were still predominantly referred to as cryptocurrencies and today's regulatory landscape has changed a lot. While only Bitcoin existed in the beginning and the industry predominantly was located in the United States of America (USA) (Gruber, 2013; Kaplanov, 2012; Tsukerman, 2015), in recent years, the centres for VA have shifted. China gained importance for the blockchain sector and subsequently, lost importance again because it banned most of the services necessary to run decentralised payment networks (Jia & Zhang, 2017; Oxford Analytica, 2021a). Now the United States (US) have reclaimed some importance, but ever since have established themselves as a hegemonic power in the regulation of VA in general (Chiu, 2021).

Unfortunately, the discourse diverged in the explicit (ap)praisal of US policy making for VAs by implicitly delegitimising approaches taken elsewhere and especially regulatory regimes for VAs in small island states (Chiu, 2021; Marian, 2019). Yet, some small states have taken proactive measures to safeguard the deployment of VAs (Buttigieg et al., 2019). A few selected small island societies even appear to have taken the accelerating deployment of VA assets and blockchains as a new means to achieve competitiveness in a globalised financial system. One of these states is Malta, which shares a welcoming attitude towards VA asset business with other small island states, such as Singapore (Bank of Canada & Monetary Authority Singapore, 2016; Buttigieg et al., 2019). Malta even set out to proclaim itself as *blockchain island* (Gouder & Scicluna, 2018; Marian, 2019). In contrast, Malta recently was greylisted by the Financial Action Task Force (FATF) because of its lacking financial transparency and insufficient enforcement of financial crime, for example, money laundering (ML), or terrorist financing (TF) (FATF, 2021; Moneyval, 2019). Some authors would argue that this co-occurrence marks the resurgence of Malta as a 'tax haven' (Gruber, 2013; Marian, 2019).

Such arguments are supported by declarations of blockchain technology to be something that is *not meant to be governed* (Musiani et al., 2017), however, legitimacy research implies that Malta has to adhere to the rules of the international system (Esty, 2006). Thus, this research sets out to build on the body of literature that also attributes positive implications to the enabling regulation of VA, while still taking concerns into account. Malta is a small island state, which made it subject to a discourse highlighting its deficiencies, risks, and vulnerabilities. Despite the fact that such arguments need to be taken into account when considering policies of small island states, it is likely that its adaption to risk in regulating financial services is competitiveness and not resilience (Baldacchino, 2018, 2019). For an interdisciplinary study on the intersection of islands and small state studies and VA regulation, this research asks what makes the Maltese Virtual Financial Asset (VFA) competitive?

In this research, the reasons for Malta legitimately claiming to be the *blockchain islands* are examined, rather than highlighting where the Maltese policies are insufficient. Still, concerns are taken into account and the research proceeds in adherence to a process of falsifying what does not hold true (Kuckartz, 2010; Popper, 1973). In this regard, Malta's membership to the European Union EU is taken as a starting point. There, an infringement proceeding against Malta was launched for not communicating the transposition status of the fifth anti money laundering directive (AMLD V) because it is the first anti money laundering (AML) legislation on EU level that addressed risks of VAs (European Parliament, 2018b; FSFSCMU, 2020). Therefore, two hypotheses are formed that first, test for Maltese compliance with EU law, and second, for its competitiveness against future EU law.

More specifically, this dissertation entails a mixed methods case study (Eisenhardt, 1989) that evaluates Malta's position on VAs regulation on its adherence to EU rules. The second part of the study takes the proposal for an EU directive on *Markets in Crypto-Assets* (MiCA) by the European Commission (EC) to determine to which extent EU policy making was influenced by Malta's potentially competitive governance. For this study to succeed a three-phased mixed methods research design was used (Bryman, 2006; Santos et al., 2017). The taken approach, combined quantitative text mining (Bone et al., 2016) and keyword queries with theory-driven qualitative data analysis (QDA) (Bowen, 2009) to analyse eight legislative documents.

Using standardised methods and a structured approach, this research aims to fill the research gap of lacking methodological approaches to the evaluation of VA regulation. In particular, the competitiveness of legislation to protect consumers and society has not been evaluated after the introduction of the concept by Tsukerman (2015). The research suspects that one reasons is the marginalisation of small scale approaches to safeguarding financial technology advancement. As a result, it draws on practitioners' insights and literature from small island state studies, as well as financial regulation.

In the following, the research provides background information on technological aspects of the development and architecture of blockchains. In short, it defines blockchains and their applications in finance. Later, different concepts of financial applications are defined and distinguished. In Chapter 2, a body of literature on the history of small island states as financial hubs is gradually built. Chapter 3 contextualises the history of small island states and VAs with the current debate and monetary economic considerations. The methodology of the research is introduced in Chapter 4. There, all three phases are described in depth and embedded in the case study approach. Results are presented and discussed in Chapter 5, where the important contents of individual legislations are highlighted, contrasted by findings in other documents and commented with respect to opportunities for further research. Lastly, the research concludes in Chapter 6 with a critical summary of the most important findings.

# Virtual Asset Regulation and Practice

## 2

Recent literature on virtual assets varies, especially, their definitions, and regulation (Fox et al., 2019; Marian, 2019). This chapter sets out to provide a brief history of VA, important specific VAs, and definitions that are necessary to understand the goals of regulating this field of financial services. Most importantly, the definition of virtual assets is distinguished from digital assets by drawing both from practitioners' descriptions and a formal body of literature. Regulatory issues are emphasised throughout all sections, but connections to broader policy agendas in selected countries are established. The following section relates current debates in the literature in the field of VA regulation with controversies that prevail in VA policy making since the inception of Bitcoin over a decade ago.

### 2.1 Technical and Definitional Background

Until 2008, the global financial system only functioned through trusted intermediaries (Green, 2019; Juels et al., 2016; Kaplanov, 2012; Zellweger-Gutknecht, 2019). Trust in this regard meant banks or money businesses obtained licences from the state, which regulated their undertakings, so people could rely on them. During the financial crisis in 2008, this trust had deteriorated significantly, as the occupy wall street movement showed (Reid, 2019, p. 121). Two untrusting parties, such as a property developer and a prospective home owner, were now doubting the reliability of banks. With the implementation of the Bitcoin network, which Nakamoto (2008) had envisioned (Campbell-Verduyn, 2017; Chiu, 2021; de Filippi & Loveluck, 2016; Fox et al., 2019; Gruber, 2013; Kaplanov, 2012; Ron & Shamir, 2014), two parties could exchange units of account without having to fear that the units received have been double spent (de Filippi & Loveluck, 2016, p. 5). While loans and mortgages were not available yet, the invention of the Bitcoin network changed the hegemony of the financial sector fundamentally (Hare, 2019). Today the Bitcoin network has become the first widely accepted and decentralised 'electronic cash (e-cash)' (Nakamoto, 2008), which mastered preventing double spending, a common problem among digital currencies (de Filippi & Loveluck, 2016, p. 5).

Later, other networks were modelled after Bitcoin, giving rise to Litecoin, Monero, or Dash. After all, technology advanced and the inability to run complex programs on the Bitcoin network justified the creation of another blockchain: *Ethereum*. It enabled anyone to create tokens, coins, or currencies on top of decentralised information system. If enough incentive was given by the user to the nodes, which compute these actions, Ethereum can run more complex programs in comparison to the Bitcoin network. Actors solving these tasks are called validators. On the Ethereum network they receive their remuneration in *Ether*, which is the native asset of its blockchain, however, the Bitcoin network uses the denominating units of Bitcoin and Satoshi. There, one 100 million Satoshis equal one Bitcoin. Its utilisation of cryptography coined its definitional categorisation as *cryptocurrency*.

For the following discussion it is important to highlight that the term *digital currencies* differs from cryptocurrencies because the former is used to include the digitalised state backed money. Meanwhile, cryptocurrencies as a subcategory of virtual currencies are defined through their lack of a physical representation (Fairpo, 2019). Blockchains mostly operate permissionless, in other words, anyone has access and can run the software to become a node (Wust & Gervais, 2018). These nodes compete against each other to proof a difficult mathematical problem, which then is verified and attached to the previous block. Therefore, blockchain means a chain of blocks, which have been proven to be valid by cryptographic work. As *proof-of-work* this procedure prevented Bitcoin as first decentralised e-cash from being double spent (Hsieh et al., 2017, p. 53). However, distributed ledgers can be permissioned as well, which means restricting access to the network. Next to distributed ledgers that are permissionless and using *proof-of-work*, like Bitcoin, Blockchains that use other consensus mechanisms exist, for example *proof-of-stake* (Hsieh et al., 2017, p. 53). Nodes then have to deposit collateral to run the code. While users accept a higher degree of centralisation, they still remain pseudonymous and can access the ledger freely. In this regard, pseudonymity refers to the users' ability to connect openly and set up as many accounts as they wish, without the need for disclosing identity revealing information.

Differentiating between the network as distributed ledger, its incentive structure, and the native asset, which is governed highlights that the position of legislators and regulators may differ from that of investors' or users'. Investors speculate on the success of the network specific distributed ledger technology and on increasing demand for its native asset. Some users value it as a means of payment because of utilitarian or ideological reasons. To participate as either investor or user, the minimal requirement is setting up a wallet address on the network to receive funds. For legislators these funds represent value in this moment, hence, an exchange rate to fiat currency at the time of purchase. Nevertheless, a native asset is a unit of account, which reimburses computational work, needed to move or create the token on a given blockchain and will always be one token (cf. Green, 2019, p. 22).

Although wallet addresses are public, the user assigned to them by the network to enable transactions is not identified. Furthermore, it is unclear how many addresses one user controls or who this individual is. In traditional finance, paper trails eventually lead to an individual who authorised itself through identifying information (Fox et al., 2019, p. 173). The public distributed ledger allows law enforcement access without a warrant or subpoena, but the flawless paper trails do not directly lead to an adversary (Fox et al., 2019, p. 173). Other tools are then required to track and trace suspicious activities and de-mask the individual behind transactions, because the decentralised nature of blockchains makes them difficult targets for law enforcement (Möser & Narayanan, 2019). Although some countries labelled as 'tax havens' have been alleged to welcome ill intended actors, contrary to these claims, the need for shelter is already provided by the blockchain itself. If not for the taxes and secrecy, then why would blockchain businesses want to find specific destinations, and usually relocate to small island jurisdictions?

## 2.2 Virtual Assets' Impact on Real Policy

Through the case of Malta, it can be highlighted that regulatory certainty is one central argument for regulation. In contrast to the European Commission (2020), which by 2020 only introduced a first draft

of the *Markets in Crypto-assets* (MiCA) framework into the European Parliament, Malta has passed three laws. The three acts form the Virtual Financial Asset (VFA) Framework, where financial tokens are distinguished from any other virtual asset, such as non-fungible tokens (NFTs).

Their unique nature makes NFTs a good example for tokens, which do not represent a financial instrument. Their lacking standardisation means one NFT does not necessarily equals another, whereas one Bitcoin exchanged with another will always be one Bitcoin. Therefore, the VFA only regulates tokens, when they exceed the definition of virtual assets (MFSA, 2020). For virtual assets (VAs) to qualify as VFA they need to have a financial application additionally to their overall definition of *digital and transferable representations of value over which a community has agreed and is not in a direct way physically expressible* (for virtual currency, see also Proctor, 2019, p. 36) and fall outside regulation existing for financial assets in traditional finance. *Virtual financial assets*, thus, denote the controlled subcategory of tokens. Token means a representation of financial value, which are stored and accessed on a distributed ledger. Following, VAs are regulated when they either enable financial services or represent financial products themselves.

Native assets of a given blockchain are designed to be freely traded and priced only through supply and demand. Yet, to emphasise the underlying technology NFTs share with native assets, native assets are better referred to as network tokens. Furthermore, native assets inseparable relationship to the distributed ledger emphasises their distinction from other VAs. Other VAs are coins that were created on top of a blockchain and issued in so called initial coin offerings (ICOs). These offerings attempt to simplify the process of funding a company by selling shares or stock to the public. In the traditional financial market this process is called initial public offering (IPO); often lengthy, costly and connected to tremendous legal obligations. The state, however, likely regards the network token as necessary to be regulated when it is exchanged with any other asset. The difficulties of tracing the responsible entity behind an ICO made US regulators focus largely on new intermediaries, i.e. centralised exchanges, and issuer they could trace as easy as Ripple Labs Inc. (Dickinson, 2019; Gruber, 2013; Proctor, 2019; Tsukerman, 2015). Accordingly, Musiani et al. (2017, p. 137) identify these intermediaries interacting with the blockchain as third focal point of controversy around the new technology.

Uncertainty in the US is caused by the process of issuance. In contrast to the traditional financial markets network tokens are computer programs and can exist without a market. Only the sale is of interest to the regulators, because it could be classified as investment vehicle or payment 'in discharge of debt' (*Moss vs. Hancock* [1899] 2 QB 111, 116 qtd in. Green, 2019, p. 19). The MFSA in Malta already oversees the licensing of issuers, who wish to create tokens in Malta. This is reasonable, as during the ICO boom in 2018 most protocols on top of existing blockchains were found to predefine the rate of issuance and the initial price of distribution (Drofenik & Kovačič Batista, 2018). For early investors the law of code (DuPont, 2017, p. 165) can become a problem, when the supply of the tokens is inelastic. For example, when all tokens ever to be created are minted at the inception of the program and quickly released onto the market, the large number of tokens will meet limited demand. If there is a large number of tokens and limited demand, then the price will plummet and possibly scare off future investors. Therefore, the scenario has a high likelihood of leading to permanent asset depreciation, because devaluations are unlikely to be recovered when price instability right after launch signals immense excess token demand. Inevitably large scale investment in ICO and the frequently occurring sharp decline of VAs raised concerns among financial regulators.

Now, some token issuers have anticipated tightening regulation in states around the globe and investor risk that has led to stricter rules. Through combining a token which provides utility as voting rights on the supply of elastic stable coins issuers attempted to disguise the speculative nature of tokens. This organisational form is called decentralised autonomous organisation (DAO) and governance through tokens is its characteristic. MakerDAO (2021) is an successful example of token issuance (DuPont, 2017), as it can be observed on the usage of the Maker token and the acceptance of its stable coin DAI (MakerDAO, 2021). The stablecoin is pegged to the United States Dollar and backed by a treasury. The treasury transparently controls the elastic supply of DAI to guarantee price stability independent of demand. It is governed by the community of token holders through direct votes, which implements an additional layer of accountability and lends DAI legitimacy. Their controllability by communities and high stability render stablecoins very similar to state backed currency, however, they should not be confused with Central Bank Digital Currencies (CBDCs). First and foremost, stablecoins are issued and controlled privately. Secondly, CBDCs do not necessarily utilise DLT, thus, are not necessarily virtual assets that abstract any physical or notional representation of value from the unit of account controlled by a blockchain, rather a digitalisation of representing state guarantees.

## 2.3 Controversy around Virtual Assets

The above section intended to provide a broad overview of relevant terms and concepts, necessary for understanding the context of the case of Malta that is subject of this dissertation. Now, the debate in the literature on how to define virtual assets is mapped, and the different stances by countries to regulate them introduced. In general, the literature is highly diverse. It ranges from technical definitions, where virtual assets are products of code (see also DuPont, 2017, p. 168), or *excludable value data* (Zellweger-Gutknecht, 2019, p. 86), to more monetarist stances interpreting virtual assets as incentives for network usage (Nakamoto, 2008, p. 4). Out of the last mentioned socio-economic perspective, it is not far-fetched to conclude that virtual assets are community money (Geva & Geva, 2019, p. 291) and with increasing acceptance inevitably become money. Meanwhile, legalists prefer to look at existing laws and regulations of virtual assets to conclude that it cannot be money (Green, 2019, p. 26), because most jurisdictions do not treat it as such (Yereli & Orkunoglu-Sahin, 2018, p. 224). Interestingly, the first reason for governments to classify virtual assets beyond their characteristic of not representing physical property was to apply taxes. Therefore, some scholars tend to frame small jurisdictions welcoming attitude towards virtual asset businesses as continuation of their tax haven policy.

How does this relate to the case of Malta? The state, located in the Mediterranean south of Sicily, hosts a multitude of corporate service providers, a regulatory framework for online gambling, and legislation to attract foreign direct investment (FDI), as well as intellectual property (IP) (Gouder & Scicluna, 2018, p. 37). Long before the era of near zero corporate tax became seriously challenged by recent commitments to a minimum tax by the OECD (2021a) and financial secrecy was abolished through the establishment of a common reporting standard (CRS) (Ambrosanio & Caroppo, 2005; OECD, 2021b), Malta sought to diversify its frameworks for regulated industries. The corporate and legal service sector makes up for insignificant natural resources and thrives on the island's necessity of trade openness (L. Briguglio & Kisanga, 2004; Cassar, 2017). Despite the fact that Malta was

considered a tax haven (Ambrosanio & Caroppo, 2005; Cobb, 1998; Hampton, 1996), it has the capabilities to comprehensively and securely regulate the virtual asset industry, because legal services are significant for its national economy.

Malta's service economy is well known for its legal and financial services, which were established after it has ceased to host a British naval base. Therefore, it is reasonable to legislate laws, which support already profitable sectors. Furthermore, it is unreasonable to argue that reducing complexity of a regulatory process equates to functioning as a proxy to financial secrecy and untraceable wealth. Malta certainly has a business friendly regulatory stance, arisen out of British common law (Vleck, 2017) and the need to complement it with modern statutory law to safeguard its economic future within the European Union. Beneficial to Malta's compliance with EU law on financial instruments and transparency are the skills of the legal profession in the country. According to Hampton (1996, pp. 79–80), this specialised professionalisation characterises Malta as functional offshore financial centre (OFC), however, Garcia-Bernardo et al. (2017, p. 9) attested it fairly moderate impact on global financial flows.

In the particular case of virtual assets, Malta has accomplished to legislate a framework regulating these financial applications, when neither scholarly agreement on definitional boundaries nor jurisprudential certainty was given. The EU only included virtual assets in its fifth anti money laundering (AML) directive (2018/843/EU or AMLD V) (European Parliament, 2018b). Generally, it is the Maltese specialisation with its provision of regulatory and institutional infrastructure, which sets it apart from merely notional OFCs (Hampton, 1996, p. 80). When authors such as Gouder and Scicluna (2018) or Marian (2019) refer to 'blockchain havens', it is the proliferating notion of financial centres in island geographies which drives these associations. Moreover, attributing financial centres as being 'offshore' highlights the US American perspective dominating the literature on financial markets. Out of this reason, when speaking of OFCs it should rather be interpreted as marker for peripherality to the international financial hubs of London, New York, or Shanghai (Cobb, 1998, p. 9), because offering tax differentials and the infrastructure are two distinct classifications (Hampton, 1996, p. 79).

Peripherality forces societies and national economies to become creative in deciding which sectors to attract and how. Another good example for the US American perspective on offshore financial markets, is the inception of the Eurodollar market after the United States tightened regulation on interest rates offered by banks (Roberts, 1997, p. 243). Eurodollars are United State Dollars (USDs) held abroad or by foreign banks in the US, out of reach for the US regulator. In analogy VAs, especially Bitcoin, are seen as outside of US jurisdiction. To mitigate the risk of Bitcoin to be abused for criminal activities like Eurodollars have been used for ML or tax evasion Möser and Narayanan (2019, p. 6) have proposed a blacklisting approach. According to Möser and Narayanan (2019) the blacklisting of Bitcoin is done by using the traceability of transaction to the first block of a blockchain – the Genesis block (Dickinson, 2019, p. 109). Blacklisting could be very effective for preventing coins from entering large centralised exchanges, however, its application would threaten cryptocurrencies' fungibility because then a tainted Bitcoin would be harder to be exchanged than one without dubious records (Möser & Narayanan, 2019, p. 16). In effect the proposition by Möser and Narayanan (2019) arguably is similar to the protection of banknotes in ATMs with ink cartridges that explode when an ATM is forcefully opened. Thus, in the realm of offshore finance, the blacklisting of Bitcoin would be comparable to preventing Eurodollars repat-



riation into the USA through lessening its exchange value to USDs in the US by limiting its acceptance.

Interestingly, the Eurodollar market was equally regarded with suspicion in the literature as virtual assets are today. Roberts writes in 1997 that '[t]he Euro[dollar] markets are the quintessential offshore market' (1997, p. 243). Nevertheless, Europe as geography overseas is again not concisely distinguished from the Cayman islands, as both are offshore from an US American point of view. The Cayman Islands realised their economic potential by providing functionalities to the large financial market in the US, which challenged the status of money in the United States. Meanwhile, Europe relied upon these characteristics, especially the United Kingdom after its sterling crisis (Roberts, 1997, p. 243).

Two central characteristics of money are how broadly it is accepted and its function as unit of account (Green, 2019, p. 13). It seems counter intuitive to challenge this hegemony, when the establishment of a market for the US in Europe as a hedge against currency volatility should prove the opposite. However, from the 1970s to the early 2000s foreign held USDs, for example, petrodollars from members to the Organization of Petroleum Exporting Countries (OPEC) had to be 'recycled' (Roberts, 1997, p. 244). This was done through derivative foreign exchange contracts in Europe. In other words, the existence of Eurodollars shows the questionable and highly conditional acceptance of foreign held USDs in the USA. Taken into account that these funds had to be channelled from the Euromarket into the US through offshore only banks in the Caribbean, highlights that the expectations of the jurisprudence on virtual assets to qualify as money often practically does not necessarily hold for fiat currency either.

Continuous misunderstandings between sociology, political economy, and law were present before the emergence of virtual assets, but are also closely connected to their regulation. For example, in 2018 the European Banking Authority (EBA) was reported to refuse denoting virtual currencies as *currencies*, and claimed it was to differentiate it from 'conventional fiat currencies' (Demertzis & Wolff, Guntram, B., 2018, p. 5). Unfortunately, it clearly misinterpreted currency to be legal tender, while currencies are defined by circulation and have been privately issued and volatile in the past. Today private banks in Northern Ireland are still issuing banknotes in discharge of a debt (Geva & Geva, 2019, pp. 289–298). There, historically depository notes issued by goldsmiths were prone to debase or fluctuate in buying power, i.e. volatile. After all, local community currencies do not face similar rigour and the status of foreign currency has changed from a volatile commodity to money as well.

Demertzis and Wolff, Guntram, B. (2018, p. 5), still, summarises that virtual cryptocurrencies are best denoted as speculative assets. While this classification is within the definitional boundaries of virtual assets, it is important to note that foreign currencies are equally used for speculative purposes, e.g. as collateral for foreign exchange rate derivatives. Furthermore, the observations made by Demertzis and Wolff, Guntram, B. (2018, p. 5) on fiat to Bitcoin exchange volumes are narrow, if not skewed. Their hypothesis that fiat to Bitcoin exchanges were dominated by the British pound sterling and only later the USD gained popularity is grounded solely on data from one exchange platform in Finland. Nevertheless, the descriptions of concerns by law enforcement over virtual assets is very concise, because the exchanges registration often is in another country than the regulators, which render assessments of 'how strict the regulation of these exchanges is' rather difficult (Demertzis & Wolff, Guntram, B., 2018, p. 9).



These fears can be explained by the fact that it took the international community extensive multilateral efforts to make the routes of Eurodollars transparent. Even today, evaded taxes, laundered money, and untaxed income are accrued and channelled through the infrastructure once designed to grant institutions access to foreign money markets (Cobb, 1998; Roberts, 1997; Vleck, 2017). Now regulators, unsurprisingly, are concerned that decentralised and pseudonymous transaction and the subsequent storage of financial data on blockchains open new doors for illicit funds to flow (Marian, 2019; Möser & Narayanan, 2019). On one hand, illicit funds are still present in traditional finance, like the case of the Europacific bank in the US overseas territory of Puerto Rico shows (Blum et al., 2020). On the other hand, virtual asset exchanges now represent an additional financial frontier, which needs to be monitored. Therefore, the argument to explain small island jurisdictions' motion to regulate virtual financial assets to attract business because of their functionalities is more powerful than arguing these jurisdictions want to return to what long has ceased to exist outside the literature: tax havens.

In other words, Malta or other OFCs are highly specialised in handling and regulating new assets and money markets. Small jurisdictions took the opportunity to face the risks of virtual assets, to emphasise and profit of their applicabilities. Moreover, it will become evident throughout the next section that the US are more prone to a *laissez-faire*, because instead of new legislation it heavily relies on case law. Since the small state of Malta has chosen to supplement the MFSA, which regulates all matters of virtual assets, with an authority that harmonises reporting standards across all applicable laws, it now connects the regulation of financial application with enforcing safeguard in respect to its underlying technology. Now it is important to focus on the reasons for the scepticism of some authors.

## 2.4 Concerns over Virtual Assets

Regulators' concerns over the use of blockchains and VAs to evade taxes, launder money, or generally escape state regulation can be explained by the political views of some proponents for blockchain technology because cryptocurrencies emerged around a libertarian community of cryptographers (Campbell-Verduyn & Goguen, 2017; de Filippi & Loveluck, 2016; Gruber, 2013; Kaplanov, 2012). These so called *cypherpunks* saw a decentralised medium of exchange as a chance to escape state control and taxation (de Filippi & Loveluck, 2016, p. 3). It is no coincidence that Bitcoin was used as payment method by darknet market places (Ron & Shamir, 2014) and remains popular among ransomware syndicates and drug dealers around the world (FATF, 2019). Apart from the questions related to monetary policy, which are in and of itself highly debated by political economists of different political backgrounds, it is important to ask who individuals and societies entrust their money.

This is to say that individuals are making a choice with social value, when deciding to bank with an offshore only bank in a foreign jurisdiction, because commercial bank money is not legal tender. Geva and Geva argue that money is morally bound, therefore, money is not just the *neutral third* Marx identified, as fulfilling societal functions (2019, p. 289). More generally, societies have attached meaning to money, because of the reciprocity it facilitates. Where one's choices over where to store funds determines how the individual relates to a society or country, renders choosing private money is a highly political choice. In other words, it is perceived as avoidance of societal control. This can be illustrated by the ownership over one Bitcoin. If it is held through a custodian, the owner has no control over the asset. Similarly, when wealth is stored on a distributed ledger, the state around one

society has no control over its movement or buying power. Thus, conventions in banking demand the individual to provide reasons for withdrawing this money from the realms of societal control.

One kind of societal control over money are monetary policies by states. Although they can differ widely from one monetary union to another, regulations of commercial bank money also differ throughout the world. Nevertheless, it is generally agreed upon that commercial bank money leaving one jurisdiction, must be booked in another, but remains under control of the same individual, likely raises suspicions. Even more so, considering that these transfers often come at hefty fees. Similarly, liquid money can be exchanged into money market instruments, like time deposits or liquid equity. Depending on the jurisdiction this book money can be attributed to varying money aggregates (Siebert & Lorz, 2007, p. 260). For example, in 2005, the US Federal Reserve decided not to publish data on the third money aggregate, which accounts for the most illiquid forms of money not available to the average individual to use for payments, for instance, Eurodollar contracts (Board of Governors of the Federal Reserve System, 2005; Sekar, 2010). It was substituted with the aggregate of money with zero maturity, i.e. the contract virtually is never settled. Likewise, virtual native assets on proof of stake ledgers held by validators are not settled for the duration of their function as collateral to ensure consensus-driven verification of transactions. Yet, cryptocurrencies are not considered under any money aggregate.

Cryptocurrencies volatility is named as the central reason for its exclusion (Proctor, 2019, p. 50) and likewise why it was subsumed under virtual assets. Meanwhile, the fiat currency used to acquire these assets is accounted for in the first money aggregate, because of its liquidity. When an individual transfers the money to an exchange, the funds usually leave the jurisdiction in the moment it is booked on the centralised exchange, because their location of choice are OFCs. Right after, the person's funds leave also the traditional financial sector because the transaction distributed public ledger attributes a balance to the wallet address of the individual. Now the foreign fiat currency on the books of the exchange can become time deposits or remain liquid cash, but in any case it is beyond the reach of the jurisdiction where it originated from. Therefore, it is not only the loss of societal control over funds on the blockchain, which cause scepticism and suspicion in the literature, but the routes it takes to get there as well. Ongoing misuse of peripheral places to hide money, i.e. considered 'tax havens', then delegitimises the inevitable process to obtain virtual assets, because centralised virtual asset exchanges relocate to OFCs for doing business. The fact that these small jurisdictions set out to promote and attract such business are portrayed by the public as profiting from libertarian ideas, which threaten the tax base of large welfare states.

It is important, however, to acknowledge that authors from one large state are the most prominent proponents of this view. Scholars from the US may not mention welfare as central argument, but implicitly utter their concerns over offshore blockchain practices (Gruber, 2013; Marian, 2019). These arguments usually entail the tax base and financial secrecy, which have two concrete US American juridical counterparts. The Foreign Account Tax Compliance Act (FATCA) combats tax avoidance by US subjects abroad and the Bank Secrecy Act (BSA) lifts banking secrecy from financial institutions (Vleck, 2017). Although these lines of argument are valid in the general discourse on welfare and inequality, they do not capture the nexus of offshore finance and financial distributed ledgers. To begin with, these arguments assume all offshore jurisdictions from tax havens to OFCs are created equal, only because they are offshore. In other words, European countries

are to be regarded similar to the policies in the Caribbean or South East Asia, despite the varying legal systems (Carr, 2019). The argument, thus, lacks the ability to differentiate policies from each other.

Apart from these too extensive generalisations, Allred et al. (2017) determined in a global audit of corporate service providers that the ones located in tax havens were the most compliant, opposed to onshore incorporation services, for example, in the US. Vleck (2017) substantiates the argument supported by the evidence Allred et al. provided in 2017. He claims the US state of Delaware was the role model for many small island jurisdictions (Vleck, 2017, p. 50). It is also mentioned that the more flexible legal system in former British colonies and today's United Kingdom Overseas Territories granted certain advantages to regulatory practice regarding company registration and financial law. Malta is an example for flexibility in economic laws exhibited by states currently or formerly under British influence. For instance merge the two regulated industries of VAs and online gambling in Malta into one regulatory sandbox (Brockdorff et al., 2019).

Moreover, legitimate and development conducive applications of DLT are likely to be overlooked, when 'sensationalistic media claims' (Campbell-Verduyn, 2017, pp. 75) support the discourse opened by rather conservative voices with a US centred focus on regulation and risks of virtual assets. In 2015, Her Majesty's Treasury and Home Office determined that virtual assets cannot be associated with an elevated risk of ML (Campbell-Verduyn, 2017, p. 75) and Buttigieg et al. (2019) emphasise that Malta complies with international AML/ CTF commitments. Alarmist voices over risks of virtual assets, which are inherent in the financial sector in general, need to be balanced with the great potential of open access peer-to-peer (P2P) money transfer systems.

For example, in the contexts of remittances P2P money transfers are a central element to transmit the funds into remote area and virtual assets pose a promising innovation (Rodima-Taylor & Grimes, 2017, p. 110). The society of Malta as a society of a small island state is prone to migration and remittances (Baldacchino, 2018). These circumstances of entering nationhood in 1964, combined with its legal system, likely have affected the Maltese government's initiative to legislate a specialised framework for virtual financial assets.

Open to new ways of growing its economy, Malta accepted the emergence of virtual assets as opportunity to innovate its legislation. Its predisposition to the financial sector, has led to the understanding that the technology needs to be safeguarded against *disembedding* with its application in society (de Filippi & Loveluck, 2016, pp. 2–3). Other small states, such as the Philippines, have also taken action to prevent conceptualising virtual assets as genuinely neoliberal undertaking of ending nation states' 'monopoly [...] on the production and distribution of money' (de Filippi & Loveluck, 2016, p. 3). In contrast to Malta and the Philippines, the US exhibited scepticism over including alternative financial activities and markets into society, as it has been suspicious over the Eurodollars and OFCs' involvement. Therefore, stances taken by observers in the US on the Maltese legislation or *blockchain islands* in general is not surprising.

Interestingly though, the similarities of US American licensing practices for virtual asset exchanges are similar to approaches in small island states. For instance, the Philippines categorised Bitcoin exchanges as remittances services (Rodima-Taylor & Grimes, 2017, p. 121), which regulates it on the same level like Western Union or Money Gram. These traditional services charge a surplus to ensure the

delivery of funds without the need for a recipient bank account. Exchanges in the US may extend their services beyond Bitcoin, but as money transmitting service under US alike Philippine law have to follow the rules made for Paypal or Western Union. Since exchanges operating in the US enable individuals to send remittances over blockchains at a fraction of the cost, even intergovernmental frameworks like the Society for Worldwide Interbank Financial Transfers (SWIFT) are outcompeted by the settlement capabilities of virtual assets as the 'middle currency' (Rodima-Taylor & Grimes, 2017, p. 121).

Overall, the literature supports the claim of a highly heterogeneous policy landscape through the world, but also shows unexpected similarities and indicates, despite the differences, a regulatory level playing field. In the literature, a central reason for compliance was identified as the international commitments made to combat money laundering, terrorist financing and tax evasion (Ambrosanio & Caroppo, 2005; FATF, 2012). It is unlikely that a new technology, which may have its origins in libertarian subcultures, would change this broad and widely accepted commitment. Furthermore, active inclusion in tax law has been undertaken in several jurisdictions since 2013 (Yereli & Orkunoglu-Sahin, 2018, p. 225). Regulatory actions may be varying in ambition, however, minimal safeguards to prevent inflows of illicit funds in virtual assets into the broader economy are consistently in place (Campbell-Verduyn, 2017, p. 76). Insofar as the project of virtual assets was directed to undermine state authority over money supply and distribution (de Filippi & Loveluck, 2016, p. 3), it is no surprise that the literature has documented cautious regulatory approaches to prevent acknowledging or endorsing the political project behind the inception of blockchains. While scholars reportedly deemed the regulatory infrastructure in some jurisdictions sufficiently reliable, some small states have made negative headlines for their regulatory endorsement of businesses handling virtual assets (Gouder & Scicluna, 2018; Marian, 2019).

## 2.5 New Assets Under Old Legislation

If there are no mature risks for ML, tax evasion, or TF, it is necessary to explain the causes for the debate in the literature. While the most obvious reason is the novelty of the technology and its application, different geographical perspectives have been proven to influence the debate as well. Nevertheless, of greatest importance is the usage of terminology.

As early literature lacked the understanding of the accessible and transparent nature of blockchains, it sometimes led to the application of misleading labels, such as 'blockchain havens' (Marian, 2019). In other words, the scholarly literature was focused predominantly on Bitcoin and neglected the fast paced development of the blockchain industry. Moreover, such literature can be defined as first wave virtual asset studies because it often oversimplified the relationship between blockchains, cryptocurrencies and digital assets. Therefore, it is sensible to define the first wave virtual asset studies as literature modelling the evaluation of regulation and the societal application of blockchain technology after Bitcoin. More apt literature developed with the advent and widespread adoption of Ethereum and continues to take a more differentiated approach in researching blockchain regulation. If future research can be distinguished from Bitcoin centric evaluations, a second wave of virtual asset studies may be identified in articles published after 2019.

Even shortly before traditional finance started to offer virtual assets to investors through their

legacy technology, states and jurisdiction known as OFCs were suspected to become *Blockchain Havens*. This term is an analogy to the term tax havens and their functionalities, which connects it with the powers a blockchain can unleash. In Marian (2019), the argument that tax havens provide favourable legislation and blockchains secrecy was provided to ground that exchanges for virtual assets, like cryptocurrencies, have become the new tax havens located in OFCs. Gruber (2013) predicts that most exchanges still located in the USA will relocate as soon as tighter regulatory regimes apply. Marian (2019) and Gruber (2013) mention the case of Malta as negative example. Marian (2019, p. 553) sees a predisposition to illicit use in the 'characteristics of blockchain technology with its synergies to tax haven regulatory environment', to which she counts Malta. Gruber (2013, p. 201) criticised a Malta based bitcoin hedge fund for not serving United States (US) based clients, allegedly to avoid reporting obligations under the FATCA.

Gruber (2013) grounds her position on the business practices of a single hedge fund, to discredit the virtual asset policies of an entire country. Even if Malta is small, the argument is still unbalanced. Considering that the Common Reporting Standard (CRS) was introduced in response to FATCA, the US' reluctance to implement the CRS (OECD, 2021b) explains disproportionately more than mixing equating business strategy to policy. Similarly, the intergovernmental agreements between the USA and nations like Spain, the United Kingdom or Germany, which arose from their FATCA agreements (Vleck, 2017, p. 110), stay far behind the standards of multilateralism. Moreover, with this argument Gruber (2013) provides legitimate reason to question the association of small states with label 'Blockchain Havens' (Marian, 2019) itself because of the US' lack of financial transparency.

*The hegemonic 'big stick'*, how Vleck (2017) denotes the tax policy of the USA, is not accurately augmenting blockchain businesses, some of which have operated without obtaining all necessary licences. Paper trails inherent to blockchains (Fox et al., 2019, p. 173) have proven the US' regulatory approach more functional (Ron & Shamir, 2014) than Jia and Zhang (2017, p. 97) have expected. Reading from several convictions, fines and law suits in the US (Tsukerman, 2015, pp. 1165–1167), which involved virtual asset exchanges or virtual asset holders, law enforcement and criminal law remain functional even in absence of new legislation. This is explained through the heavy reliance on case law in the US because of its common law system. The absence of specialised legislation likely causes high costs of uncertainty for legitimate actors, which will be tested in contrast to the Maltese approach. However, the continuous presence of large virtual asset exchanges in the US shows that fears over denial of service to avoid taxation or compliance were unwarranted. Lastly, Gruber (2013) and Marian (2019) located centralised exchanges at the centre of the financial application of blockchain technology. Yet, pseudonymous concealment of wealth from tax and regulatory agencies legally is only possible once funds have left the balance sheets of virtual asset exchanges.

Gruber (2013) draws connections between different reporting and licensing obligations the nascent blockchain industry has to observe. It becomes clear that the legacy based legislation regarding the regulation of financial institutions carries a complex mix of obligations to various state bodies in the US. Companies handling virtual assets and fiat currencies ought to register as money service business with the Financial Crime Enforcement Network (FinCEN) and observe the BSA, as well as the Act for Combatting Money Laundering. This still does not protect these entities from law suits filed by other government bodies like the Internal Revenue Service (IRS) or the Securities Exchange Commission (SEC). For companies serving the US tax base account holder's data additionally needs

to be transmitted through FATCA framework. Each and every additional reporting produces costs start-ups usually can afford far less than fully scaled corporations. In brief, having to report to fewer authorities significantly reduces the burden of companies to comply.

During the first wave literature on blockchain regulation it was assumed that more reporting equals better regulation. Thereof, Gruber (2013) and Marian (2019) conclude that small states now offer loopholes to circumvent regulation as they have done in the past. The frameworks of the so called tax havens were not examined in the literature. Hence, it might be surprising that Malta, for example, has legislated a very comprehensive regulatory framework.

## 2.6 Summary

After different aspects of VAs and the origin of small island states' label as 'tax havens' in their history as OFCs have been discussed, the nexus of VA regulation and small states is summarised. During the twentieth century, small OFCs specialised in the provision of infrastructure to enable global financial flows (Hampton, 1996; Roberts, 1997). Yet, places like the Cayman Islands, Malta, or the BVI did not primarily build physical infrastructure. Instead, regulatory regimes are meant when structures were put in place to facilitate offshore banking, since Banks often only existed on paper with a registered address (Roberts, 1997). During that time, only high net worth individuals or institutions could afford to make use of such possibilities because they were costly and inefficient (Cobb, 1998). Furthermore, in the advent of the new millennium, these predicaments became increasingly under pressure and states and jurisdictions offering structures and secrecy lost the status of OFCs (Ambrosanio & Caroppo, 2005). Almost at the same time, the Bitcoin network began to mine Bitcoins and process payments (Kaplanov, 2012). Its virtual infrastructure allowed funds to be moved pseudonymously and without an intermediary.

The Bitcoin network launched at a period where the financial system was starkly criticised and forcefully changed from secretive to more transparent (Burns, 2012; Reid, 2019). Blockchains were unregulated and underresearched during the financial crisis (Marian, 2019; Yereli & Orkunoglu-Sahin, 2018), which led to their functionalities being used to move illicit funds behind layers of pseudonymity and novelty (Kaplanov, 2012). Sometimes criminal activities were discovered by law enforcement (Ron & Shamir, 2014). Eventually, Bitcoin gained popularity and the price of its unit of account increased. As a result, legitimate business entered the market to provide exchange services for USD and Bitcoin. Now two regulatory issues took precedence, especially in the US. First, the literature on Bitcoin and blockchain was concerned that these financial gains were not taxed and enforcement by the IRS would prove to be difficult (Gruber, 2013; Marian, 2019). Second, the exchanges were unregulated or operating without a licence (Proctor, 2019).

For the reason that these two issues connected to blockchain technology occurred at the same time, the traditional financial system was undergoing thorough change – concerns over a return of secrecy and widespread tax evasion were elevated. Nevertheless, the literature review of this chapter highlighted that most of the concerns were severe because the terms and definitions of the discourse were not clearly set. This means that the functioning of blockchains through the provision of network tokens did not exclude other applications being built on top of it, and funds could be tracked to be blacklisted (Möser & Narayanan, 2019). Moreover, legitimate applications outweighed the negative

headlines found in the media (Campbell-Verduyn, 2017; Rodima-Taylor & Grimes, 2017). Thus, the positions of the main opponents to small states slowly starting to adopt legislation (Gruber, 2013; Marian, 2019) that would provide functionalities to businesses in the blockchain sector to move beyond a crude and basic level were discerned.

As a result of the diversity in DLT, which represent protocols to process data and are accessible by anyone who has access to the internet (Hsieh et al., 2017). Such sheer endless possibilities for building new financial applications highlighted demand for new regulation. Therefore, the example of the Maltese DLT framework was introduced because it distinguished VA from digital assets (Buttigieg et al., 2019; MFSA, 2020). Instead, it focused on the technology (Buttigieg et al., 2019), which was shown to be not only a digitisation of monetary value in the physical world (Fairpo, 2019). Since this chapter provided an introductory overview of the two elements that ground this research in the discourse on VA regulation and small island state studies, an in-depth analysis of the policy implications for small states could not be given. Thus, in the following chapter, policy approaches by Malta specifically connected to small state policy in general and contemporary concerns of VA regulation.





# 3 Staying Ahead and Keeping Afloat

Overall this research is guided by the question of what sets Malta apart from regulatory regimes to refer to itself as *blockchain islands* (Cointelegraph, 2018; Gouder & Scicluna, 2018). The previous chapter grounded the evaluation of Malta's claim in the literature and established reasons for scholars using the different wording of *blockchain havens* instead. After the reader is equipped with definitional background from chapter 2, now evidence is presented to explain the choices of jurisdictions to adapt their legislation to nascent technologies, despite the risk of derogatorily being referred to by the term *haven*.

## 3.1 Peripheral Economies

In the international system, small jurisdictions have to establish and maintain a minimum of governmental institutions to be acknowledged by larger actors (Warrington & Milne, 2018, pp. 173–175). To ensure this participatory ability in the intergovernmental organisations two main criteria are important. First, the states need to be capable of diplomacy, for instance, to negotiate terms of trade at the WTO. Second, diplomatic representation requires legitimacy lend by a stable political system (Esty, 2006; Warrington & Milne, 2018). Both functionalities require institutional structures and, most importantly, trained staff. For large states, education and procurement of capable personnel seldom poses a serious problem. In contrast, it does for small jurisdictions. The smaller their societies get, the more difficult allocating sufficient human capital to core functions of a state becomes, because the domestic pool to choose from decreases. When faced with the question of whether this applies to a jurisdiction, a point of reference is the UN group of Small Island Developing States (SIDS). It frames jurisdictions with populations of less than 1,5 million generally as small (L. Briguglio & Kisanga, 2004, p. 17) and represents its members on their *unusual routes of development* (Baldacchino, 2018, p. 219).

Although Malta is not a member of SIDS and, according to its Human Development Index (HDI) score, highly developed, its population of less than 495,000 (Eurostat, 2020, p. 6) proves it well below the threshold of eligibility for classification as small island state, set by the SIDS group. Therefore, it is important for this research not to perceive small island states as a strict category. Even the group of SIDS does not apply these definitional boundaries stringently. Singapore, for example, ranks among the 15 most developed nations worldwide (UNDP, 2020) and is home to a population of close to 6 million, while it is still a member of SIDS (L. Briguglio & Kisanga, 2004, p. 17). Equally, not only in comparison to Malta, Switzerland with a population of over 8 million is a large state. Nonetheless, in its monetary union with Liechtenstein it can be considered a close ally of small jurisdictions and should politically be treated as a landlocked island of Non-EU states within the area of the European Union. There are more properties which brings Switzerland close to small states, how-

ever, similarities of its economy and legal systems with those of Malta or Singapore cannot be discussed.

All aforementioned jurisdictions supply the economic infrastructure typical for OFCs and have been justified as such (Hampton, 1996). Additionally, the four states recently implemented a specific virtual asset regime. While these economies historically have been listed as tax havens by the OECD (Ambrosanio & Caroppo, 2005, p. 690), today, the financial service industry acknowledges these places as financial centres with varying degrees of peripherality (Wardle & Mainelli, 2021; Warrington & Milne, 2018). Regarding their virtual asset legislation, authors like Gruber (2013) and Marian (2019) raised concerns over such endeavours by states like Malta. Following their argument, the distance from the centre could be an indicator for strictness in applying international rules of AML/ CTF. Thus, the differences between Malta as *blockchain haven* and Switzerland, the '*crypto valley*' (Marian, 2019, pp. 531), were found in the perceptions of compliance, but tell little about actual safeguards in place. Yet, it is important to note that Malta is portrayed as a shelter for secrecy, while the *crypto valley* in Switzerland evokes positive associations with technology hub like the Silicon Valley in California, US, because in an international system of many small jurisdictions competitive narratives can make a difference.

Malta positioned itself as *blockchain island* in a period when virtual asset exchanges became banned in China (Jia & Zhang, 2017), and had to look for a refuge to stay in business. Virtual asset providers became islands within the strict financial system in China, and Malta transported this manufactured insularity into an opportunity to sustain its large bureaucratic apparatus. Effective governance of limited economic opportunities and the positioning against a regional power are both characteristics of two different categories of small state governance (Warrington & Milne, 2018, pp. 186–188). Virtual asset exchanges thus sought *refuge* in Malta, but introduced elements of centralisation, separation, and crisis to Malta (Vaghela & Tan, 2018). Therefore, Malta's strive for competitiveness and aspirations to become a financial trading hub in the EU highlighted characteristics, which are, according to Warrington and Milne (2018), typical for *refuges*, into its mild paternalism as *fortress* economy.

When exchanges like Binance announced to migrate their headquarters to Malta and become a *nomadic corporation* (Vleck, 2017, p. 30), the President of Malta hosted a reception for the exchange (Cointelegraph, 2018). More importantly, Changpeng Zhao, the CEO of Binance, stated around this time that

I first came to Malta in January this year, when I met with the regulators here, they were already very very knowledgeable on a blockchain industry. [...] They understood everything and they already had a draft legislation before I even talked to them, they presented that to us for review and for comments. And I was like: wow that's fantastic! (Cointelegraph, 2018)

According to Warrington and Milne, 'doubts over the rule of law in Malta' raised in the EU (Vaghela & Tan, 2018) following the murder of the journalist Daphne Caruana Galizia and investigations on officials from Malta being mentioned in the Panama Papers (sec. J. European Parliament, 2021, p. 3) are symptoms of the political climate typical for islands classified as *refuges* or *fortresses* (2018, pp. 186). The struggles of Malta as an island society set it apart from the 'success story'

of the islands categorised as *entrepôts* (Warrington & Milne, 2018, pp. 191). As a result, Malta's strive to intermediate economies for financial success and small state competitiveness, which have started when Malta proclaimed itself as *blockchain island* at the UN (Cointelegraph, 2018), led to the introduction of characteristics found in *refuge* island states (Warrington & Milne, 2018). Hence, Malta lost the competitive advantage of being unimportant. In other words, it attracted the attention of EU institutions by being regarded as not sufficiently combatting corruption. This brought the otherwise marginalised politics of a country at the top of the agenda of EU policy. While the island state in the Mediterranean still is a well adapted price taker (Mehmet & Tahiroglu, 2003), its public announcement to become the *blockchain island* introduced it to the new role of a prominent policy maker.

Warrington and Milne describe aptly the failed undertaking of Malta trying to 'exploit externally induced change, [to] subordinat[e] it to local direction' (2018, p. 192). Only Malta's administration of this period changed the narrative to ensure its quick and complete adaptive response to virtual assets would certainly produce windfall opportunities. Thus, instead of mediating economic interest as *entrepôt*, Malta used its bureaucratic abilities as *refuge* to competitive results (cf. Warrington & Milne, 2018, pp. 186–188). Switzerland took a similar approach by designating the canton of Zug as *crypto valley* (Coinfirm, 2021b, p. 3), however, limited advances to individual players and avoided equating the virtual asset sector with the Swiss financial services industry. This enabled Switzerland not only to remain an OFC, but the country could highlight the competitive advantage of the several financial centres, such as Zürich, Genf, or the *crypto valley*.

Yet, the Maltese government itself referred to Malta as the *blockchain island*, despite its archipelagic geography. Meanwhile, smallness still significantly influences the range of options governments have, when determining the economic perspective of a jurisdiction. When the self-presentation of Malta is compared to the perspective of the financial industry, the Global Financial Centre Index (GFCI) shows that abroad Malta is also seen without regard for its subnational region of Gozo (Wardle & Mainelli, 2021, p. 5). In other words, as one OFC (Hampton, 1996, p. 79). Smallness, however, cannot be the only denominator in determining the competitiveness of small states, since Liechtenstein is a tenth of the Maltese population, but did not amount reputational costs comparable to Malta. The GFCI lists it as financial centre entirely instead of its capital Vaduz (Wardle & Mainelli, 2021, p. 4). Moreover, Liechtenstein is not only on the global periphery, but also peripheral to the large OFC Switzerland, and still found largely compliant with AML/ CTF obligations by an analogous organisation to the FATF (Moneyval, 2014, p. 10).

While Liechtenstein quietly introduced its law on *Tokens and Trustworthy Technology Service Providers* (TVTG) (Liechtensteinischer Landtag, 2019), Malta was greylisted by the FATF (2021). As a matter of fact, the mutual evaluation reports (MERs) for AML/ CTF compliance of Liechtenstein and Malta were both undertaken by Moneyval. In the MER of Liechtenstein, its 'strict confidentiality regime' and availability of 'complex layered corporate structures' to private wealth managers are considered to be the most important risks (Moneyval, 2014, p. 22). Although these are elements, which wield potential to harm in conjunction with an underestimation of risk or insufficiently developed *risk-based-approach* (Moneyval, 2014, p. 13), the absence of significant crime rates (Moneyval, 2014, p. 21) sets Liechtenstein apart from the ML/ TF risk in Malta. The MER attested Malta to have functional AML/ CTF legislation in place, but hosting 'a significant shadow economy' with 'ML threat related to foreign proceeds of crime to be high' (Moneyval, 2019, p. 9). Examples for the origins of

these funds are identified as 'related to local OC [organised crime] groups, tax crime, drug trafficking, fraud, corruption/bribery, goods smuggling and theft' (Moneyval, 2019, p. 9).

Regardless of the tremendous findings of Malta's recent AML/ CTF compliance, Liechtenstein as well has been labelled as OFC (Hampton, 1996) and tax haven facing criticism for non-cooperation in the past (Ambrosanio & Caroppo, 2005, p. 692). In addition to Malta and Liechtenstein, also under oversight by Moneyval are the UK Crown dependencies, Guernsey, Jersey, and the Isle of Man; as well as the British Overseas Territory of Gibraltar (Council of Europe, 2021). All of the mentioned jurisdictions have specialised their services as OFCs and are offering sophisticated solutions for a small sector of the economy (Cobb, 1998; Hampton, 1996). From this perspective, administrations of OFCs not only know who they are competing with and for, but also the limited legislative loopholes. As these jurisdictions are facing vigorous reviews, a constant drive for regulatory innovation and legislative creativity is initiated. The competitiveness of small jurisdictions, which have specialised on offshore financial services, thus, only realises when compliance related shortcomings can swiftly be corrected without jeopardising the attractiveness of the legislative regime to onshore clients. Therefore, it is not so much the specialisation on services for the regulated digital and virtual industries that made the Maltese AML/ CTF dysfunctional, rather the greylisting by FATF threatens the competitiveness of the Maltese DLT framework.

Moreover, the report explicitly states that the overrepresented field of institutional offshore finance services for the banking sector and its domestic proneness to financial crimes enhances the risk of VA agents, VASPs and VA issuers to be connected or handle proceeds from crime (Moneyval, 2019, p. 9, p. 27). The report grounds this assessment in the overall risk-based-approach by FATF, which aims to monitor industry actors according to the degree of their formal regulatory burden and exposure to funds with unclear origin. Hence, Malta needs to re-evaluate the general safeguards to oversee Designated Non-Financial Businesses and Professions (DNFBP), such as corporate service providers, or distinguish high numbers of suspicious transaction reports (STRs) from its remote gambling business (Moneyval, 2019). In fact, the high usage of cash in combination with its reputation for clientelism (Veenendaal, 2019) are reasons for concerned reactions to Malta's vocal claim to become the *blockchain island*. In comparison, Liechtenstein's enactment of the TVTG was almost disregarded by the scholarly and medial discourses.

Meanwhile, Liechtenstein has also chosen a different path to competitiveness. While Malta has shown to implement legislative frameworks for the next innovation as soon as possible and make itself known for it, i.e. the euphemism of e-gaming for online gambling (Baldacchino, 2019, p. 47), Liechtenstein built a reputation of secrecy and discretion. Generally, financial centres began to specialise in a tiny subsection of the small offshore financial market early on. These jurisdictions implemented legal structures catering a specific demand, such as the *Anstalt* in Liechtenstein (Glos, 1984). In other words, Malta may be well known for its institutional banking services, the regime on remote gambling, and enacting a framework for virtual assets to welcome finance technology (Moneyval, 2019), but Liechtenstein's competitiveness always has been centred around reputation and discretion. The Liechtenstein *Anstalt* is similar to a trust and offers a sound holding structure for succession in a stable and insignificant state, which reassures high net worth individuals and family offices. Since 2019 it also offers access to opportunities introduced through DLT and tokenisation, but avoids losing the ability to remain 'unimportant' for its niche economy (Mehmet & Tahiroglu, 2003, p. 45).

Competitive legal structures to attract foreign capital have been established in Liechtenstein as early as 1926 (Glos, 1984, p. 930), whereas Malta or Singapore have only become independent in the second half of the last century. Before their independence, these jurisdictions were fortresses or trading posts giving rise to what in Warrington and Milne (2018, p. 191) was identified as centres for services and international trade. To sustain its role as *entrepôt*, Singapore, however, prioritised maintaining a good standing just like Liechtenstein. According to Coinfirm (2021a, p. 3), an analytics and compliance firm for the virtual financial industry, Singapore continues its policy of compliance and is 'well-known for being a strict country in regard to laws and regulations'. Following, today it is listed as the fifth most significant financial centre globally in the GFCI, with freedom to enact policies necessary to remain a thriving OFCs. Singapore is now referred to as *crypto haven* (Coinfirm, 2021a, p. 3), while the label 'haven' equates it to Malta with its shared and opposing characteristics. Thus, by non-interference and compliance it has achieved what Malta intended by referring to itself as *blockchain island*, but observers still do not make difference based on very different properties of competitiveness.

## 3.2 Competitiveness as Strategy and Condition

Despite the similarities between different small jurisdictions in various regions of the world, it is important to highlight that competitiveness is the result of sound policies applied from an inherent position in the world and the international system. In other words, some states may in absolute terms be more competitive than others, but this does not account for the competitiveness in relation to their geography and history. For example, the most negatively affected by remoteness and peripherality are subnational small island jurisdiction, because these are usually located on the international periphery and limited in their intergovernmental policy making (Baldacchino & Milne, 2006; Vleck, 2017). Long distances to the mainland make trade expensive and economic growth difficult, if not entirely unsustainable. Furthermore, their maritime location makes them vulnerable to sea level rise and extreme weather conditions caused and exacerbated by climate change (Nurse et al., 2014). Moreover, small size amplifies external shocks irrespective of their nature (L. Briguglio & Kisanga, 2004). The small island studies literature condenses these threatening influences to the condition of *vulnerability* (Baldacchino, 2018; L. Briguglio & Kisanga, 2004; Nurse et al., 2014).

Additionally, small states and small island jurisdictions in particular are disproportionately more likely to be severely affected by climate change, because they are often low lying (Nurse et al., 2014, p. 1631). This does not only require additional public investments in preventive or mitigating infrastructure, but also limits foreign direct investment (FDI) in real estate. Even without the effects of climate change, small jurisdictions development opportunities are highly limited and have historically been centred around tourism infrastructure close to the shoreline (King, 1993, pp. 26–31). In King, it is drawn on the colonial history of numerous small states to explain their association with havens of beaches and tourist resorts, while the spatially small scale and unique biosphere limit possibilities of investment (1993). In the case of the Maldives, this has led to widespread corruption and illegitimate sale of islands for development in the archipelago (Belford & Rasheed, 2018).

Nevertheless, it is well documented that these small island jurisdictions have the ability to 'bounce

back' (Baldacchino, 2018, p. 218) and adapt, which is called *resilience*. Arguably, small island states with good policy making have used their vulnerable position to become competitive. In particular, the British Virgin Islands (BVI) are competitive, because they are similar in size to Liechtenstein and perform comparably well as OFC, even though the BVI are more vulnerable. Baldacchino (2018) remarks that developing strategies for adaption of a jurisdiction's vulnerabilities is *resilience*, however, it should be regarded separately from small islands' competitiveness. To remain competitive, SIDS are without a doubt 'still open for business' (emphasis in source Baldacchino, 2018, p. 218), but placing small scale competitive behaviour into the resilience framework would reduce it to effects of vulnerabilities. Their competitiveness would in effect not be the sum of 'unlikely *developmental strategies*' (hyphenation substituted by emphasis Baldacchino, 2018, p. 219), but a struggle for survival.

As the heading of this chapter suggests, in recent history small island states were always concerned with building resilience to keep afloat and developing strategies to secure emerging economic opportunities. In their colonial past, *keeping afloat* meant maintaining a society, despite exploitation. To frame it in an economic perspective, 'tax havens' became competitive financial centres after their legal systems, which allowed for holding and management of assets, were a tool for wealth extraction and colonial subordination of island populations. For example, Ashley asserted over tariffs of the British Empire 1968

that the colonies have grown up with a system of indirect taxation, [...] unaccustomed to direct taxation that to attempt to rely upon it would upset the whole machinery of government. Yet, a tariff "for revenue only," [income tax] in Canada and Australia, cannot fail to have a considerable protective effect (1968, p. 149).

Through this quote it becomes clear that the British Empire severely influenced the foundations of the financial systems and tax regimes of contemporary SIDS and all former colonies it controlled. Therefore, the label of 'tax haven' today is not only a 'naming and shaming' as Baldacchino (2018) referred to it, but a reminder of former colonial subjugation and continued influence over non-sovereign island jurisdictions.

Although Malta is neither a member of SIDS nor of AOSIS, and has been independent from the UK since 1964, the reorientation of its economy towards financial services has led to the inclusion of Malta in the list of 'tax havens' by the OECD (Ambrosanio & Caroppo, 2005). While it is true that financial secrecy and low tax regimes for ring fenced offshore corporations pose risks for abuse and increasing inequality, Malta could not built an industrial economy to sustain a welfare state like Western continental states began in the second half of the 20.<sup>th</sup> century. Instead, it had to rely on a *mirage* economy, which consisted of migration, remittances, aid and government employment (Baldacchino & Veenendaal, 2018, p. 344). After it was clear that the UK would not renew the contracts for maintaining a naval base on the Maltese islands, economic development had to integrate the excess workforce, which would otherwise emigrate (Grech et al., 2018, p. 17). These close links between the nature of expertise required for financial services and government employment continue to produce high demand of degrees in law and public policy at the University of Malta (Registrar's Office, 2021).



In Malta, Veenendaal (2019) observed clientelism as driver for high voter turnout in federal elections. In turn, the proximity of legal profession in the financial services industry in Malta to the Maltese government can provide answers for Malta's political position in relation to compliance on EU and international level. Thus, this research examines the technocratic solutions to the inherent limitations of Malta, which previously were compensated through extensive tourism. In this respect, legal and financial services are very similar to tourism, because as domestic exports these corporate services attract capital to the jurisdiction and reduce trade deficits.

In spite of the initially contested accession of the EU in Malta, the European common market lowered barriers to trade, introduced a stable currency and provided Malta with another good in high demand: the EU citizenship with the freedom of movement and establishment. Malta soon launched a citizenship by investment program, which is well documented by the literature (Baldacchino, 2017, 2018). Yet, the ties to the EU also increased regulatory rigour by countries, which at that time included the UK as Malta's former colonial ruler. To satisfy the demand of the nation with only approx. 495,000 inhabitants, a far greater percentage of persons had to specialise in the fields of European law and policy, to implement EU directives and the monetary policy by the ECB. The elevated numbers of legal and economic professionals had to align with the path of flexible specialisation of Malta. Soon, the 2018 introduction of online gambling legislation (Malta Gaming Authority, 2021) and the intellectual property box, known as *double Malta* (Kollruss, 2010) followed.

After the resignation of former Prime Minister Muscat, the concerns in the EU over the practices of citizenship by investment in Malta had the consequence of Malta being forced to amend the legislation in conformation with EU standards. When the law to change the regime to *naturalisation by investment* was passed, the VFA was already in place to ensure Malta had a competitive advantage over other small states in Europe and beyond. In 2021 Malta faces its greylisting by FATF and growing concerns over the soundness of its VFA regulation, because of its previous adaption of online gambling, citizenship by investment program and tax credit system. Even though some of the opposition is valid and evidence based, it must be noted that in Germany similar regimes for online gambling led the federal government to legalise it (Innenministerkonferenz, 2021). In spite of Malta's welcoming attitude towards virtual assets and business friendly financial legislation, it still was listed by the China Development Institute CDI as a leading financial centre. The People's Republic of China (PRC) is known to apply strict rules to financial service providers. In 2017 and 2021, the PRC consecutively banned first virtual asset exchanges and later Bitcoin mining (Jia & Zhang, 2017; Oxford Analytica, 2021b). Nonetheless, the think tank CDI, with a close relationship to the Chinese government, allowed Malta to be included in the index as *evolving centre* and a new financial technology (Fintech) hub with close to average ratings (Wardle & Mainelli, 2021).

Finally, without regard for the concerns over the secrecy it provides, Liechtenstein is highlighted in the GFCI as providing 'ease of communication with the local regulator' and *openly promoting Fintech business* (Wardle & Mainelli, 2021, p. 7). It ranks 51<sup>st</sup> of the top 115 financial centres and is placed among metropolises like Berlin (ranked 45<sup>th</sup>), while Malta on the 63<sup>rd</sup> rank has performed slightly below average (Wardle & Mainelli, 2021). Meanwhile, Singapore excelled in the overall rating, the sub-indices for Fintech and trading, as well as proven strong competitiveness in its reputation and business infrastructure. It also continues to invest in its competitiveness and is being advised by internationally leading consultancies for its ambitions of a CBDC based on the Ethereum blockchain

(Bank of Canada & Monetary Authority Singapore, 2016). Similarly, the Swiss cities of Zürich and Geneva feature prominently for their reputation, regulatory framework, and integration of Fintech. Overall, the narrative of competitiveness has proven to stem from *close peripherality*, leading the way for smaller OFCs to aspire an equal position in the globalised market for financial services.

### 3.3 Governing the Intangible

*Close peripherality* means that jurisdictions are able to use its geographic or political position on the fringes of the international system to retain more freedom for domestic developmental policies, while making themselves indispensable for central actors through their location based services. The position of Singapore on major trade routes between China and Europe, Liechtenstein's location in the periphery of large European states, or the geography of Malta and Gibraltar in between Western Europe and Northern Africa, have impacted these jurisdictions' economies. Instead of appraising these jurisdictions' developmental achievements, their label of 'tax havens' ascribes these societies the responsibility for the exploitation of their greater economic freedoms by foreigners to optimise their return on investment. This has caused the connection of pictures from pristine tourist destinations with the effects of competitive economic legislation, which are documented in headline making data bases like the *Paradise Papers*. While these leaks often expose the abuse of corporate structures, such as trusts, foundations, or international business companies, OFCs have emphasised the provision of financial infrastructure over its customer base. In other words, the names of large state politicians must sound for compliance officers in small states as far removed as the ideas people take from news outlets in large states over a small and remote place, which appears to be under Hobbesian law.

Allred et al. (2017, p. 612) determined that the enablers outside of OFCs are crucial for abuses of the financial infrastructure available in OFCs to succeed. In the case of the Eurodollar market it was shown that small states facilitate financial flows, which have ensured large financial centres' success. The answer to the question of 'how to govern what was not meant to be governed' by Musiani et al. (2017) seems to be answered best by the actors which have linked macroeconomic monetary theory with legal structures to 'manage' wealth for decades. When small states have started to enact frameworks for facilitating VA business in their jurisdictions, it appeared as support for the claim over the existence of 'tax havens'. Jia and Zhang (2017) attest the US a *laissez-faire* approach on VAs, which is in line with the business friendly regimes within the US states like Delaware or Nevada and its reliance on common law practice of retrospective regulation through court decisions.

Furthermore, the general association of OFCs with complimentary services to offerings in major hubs is supported by the data of GFCI (Wardle & Mainelli, 2021). One example is New York City, which dominates the general rating, the sub-indices and competitiveness evaluations from reputation to regulation. It even performs best in the Fintech sub-sector rating, which requires conditions small OFCs like Malta are eager to provide. Although finance technology entails more than just VAs, the US has simply applied existing Fintech legislation and regulatory practice in a technology neutral manner regardless of the differences within the sector. Meanwhile, small states appear to have predominantly chosen a technology specific approach instead of following the economically successful example of the US.



Now, in Baldacchino (2018, p. 218) it is claimed that the naming and 'shaming of small states and territories' originates in the perception of large states, which see their hegemony challenged. Thereafter, it is necessary to establish what exactly small states challenge by choosing technology and sector specific approaches for Fintech in general and online gambling or VAs in particular. Following, Malta's DLT framework is taken as an example to ground the details of the technology specific approach in the literature on VAs and DLT. Indeed, the previous chapter established that US American authors have focused their research on the domestic regulation of VAs and VASPs and deemed it to be straightforward. Nevertheless, the broad classification of virtual assets as property for purposes of taxation implies a large jurisprudential overhead (Fairpo, 2019), as courts have to establish otherwise in any given financial case.

Additionally, legal uncertainty for VASPs and VA issuers may grant some freedom from compliance and due diligence, but also increases the economic risks for potential law suits. On a macroeconomic regulatory scale the approach of the US, on one hand, justifies additional audits by US authorities. For instance, cases where a blockchain and its native asset are suspected to have been developed only in anticipation of financial gains are likely to face such monitoring. Generally, the definitional boundaries between asset and means of payment in the USA do not seem to be overly robust (Dickinson, 2019, p. 103, p. 123). On the other hand, in its guidance on VAs FATF (2019) recommended to use virtual asset as an umbrella term for financial application on the blockchain, which was disregarded by the US, when regulators and courts started to tediously subsume their terms under existing laws of the United States (Proctor, 2019).

This course of action by the US government gave power to their financial regulators. Meanwhile, it did not account for the economic implications of safeguarding the financial system from the virtual asset sector. Particularly, in the case of Universal Logistics Inc. or Uniswap labs, which developed a decentralised virtual asset exchange and filed a security offering with the SEC in 2020 (US SEC, 2020). However, for the functioning of the exchange it minted one billion UNI tokens on Ethereum, for which no security offering was filed. Therefore, Uniswap labs complied with its obligations as a corporation receiving funding, but the fact that it is a VA issuer was not taken into account. In contrast, VAIOT LTD. is a VFA issuer licensed by the MFSA and monitored by a VFA agent to ensure its compliance (MFSA, 2021).

Malta requires all active businesses in the VA sector to be licensed under the DLT framework (Buttigieg et al., 2019, p. 216), which brings firms advising on VAs as members of the DNFBP under regulatory oversight as well and implements a risk-based-approach (RBA) demanded by the FATF (2019). While only newly issued VFAs are licensed under the DLT framework, entirely decentralised network tokens are also brought into the realm of the regulator through licensing VASPs. When these VAs are traded by a business or trading is facilitated, monitoring and licensing obligations apply. Therefore, Uniswap would have had to obtain two licenses if it was registered in Malta. Yet, its operation in the USA is unlicensed to this date. In the disclaimer, where a license usually has to be included, users read the following:

Although Universal Navigation Inc. d/b/a/ "Uniswap Labs" ( "Uniswap Labs" ) developed much of the initial code for the Uniswap protocol, it does not provide, own, or control the Uniswap protocol, which is run by smart contracts deployed on the Ethereum blockchain. [...] No developer or entity involved in creating the Uniswap protocol will be liable for any claims or damages whatsoever

associated with your use, inability to use, or your interaction with other users of, the Uniswap protocol, [...] (Universal Navigation Inc., 2021).

In this regard, Malta distinguishes between Bitcoin and VAs of an issuer, because the former was envisioned as P2P network and only those handling, trading, or transmitting it transfer monetary value and not the network itself. The latter assets are distinguished from Bitcoin, because they qualify as tools of microeconomic governance where these are used for funding, the development of Fintech solutions, or gaining exposure to derivatives. Opposed to the centralised oversight in Malta, four federal authorities can demand compliance apart from issues of taxation in the US. Namely, FinCEN acts as licensing authority for AML/ CTF compliance. The SEC governs the suspected issuance of securities, whereas the Commodity Futures Trading Commission (CTFC) controls derivative VAs exposure (CFTC Lab, 2020). Lastly, the Office of the Comptroller of the Currency (OCC) is responsible for banks operating in the US. All of the authorities are responsible for some aspect of regulating what Malta oversees with one authority.

The Malta Financial Services Authority (MFSA) governs all financial applications of VAs through holding issuers accountable to test their assets against twelve regulatory containers (MFSA, 2020). Accountability is established through licensing the assets depending on the classification after MiFID before issuance (MFSA, 2020). To enhance consumers protection and set standards for issuers, the European Parliament amended the regulation on financial instruments by the directive on markets in financial instruments in 2014 (MiFID, 2014/61/EU) (2014). Malta adapted these requirements for centralised finance to ensure secure and equitable offerings in the VFAs sector. Now, Malta offers a more differentiated licensing process for the VA sector than the USA, because it flexibly applied EU law to offer VA businesses a competitive gateway to the European market.

Even though it is sensible to repurpose legislation crafted to cover initial public offering IPO on the stock market, when token issuance to raise funds is similar to it (Drofenik & Kovačič Batista, 2018), Chiu (2021) disagrees. There, it is criticised that the classification of assets is open ended and applied lower standards than the MiFID requires for the traditional financial market (Chiu, 2021, p. 16). In reference to Buttigieg et al. (2019, p. 216), where it becomes evident that Malta does not yet have to apply MiFID on VAs, Chiu (2021) summarises that the Maltese DLT framework among others represents a regulatory race to the bottom. However, Chiu (2021, p. 16) confuses the responsibilities of the Malta Digital Innovation Authority (MDIA) that pertain to the assurance of VA's underlying technology (Ellul et al., 2020), with the market supervision by the MFSA.

Furthermore, Jabotinsky and Sarel (2020, p. 7) cite Buttigieg et al. (2019) for their remarks on market manipulation, while Buttigieg et al. only describe the ways in which the VFAs in Malta protects 'market integrity' (2019, p. 216). Eventually, Ellul et al. (2020) outright contradict the evaluation of Chiu (2021) in respect to Buttigieg et al. (2019). Ellul et al. cite Buttigieg et al. (2019) to state that jurisdictions can choose to 'ban and/or try to restrict the use of such cryptocurrencies' (2020, p. 210), suggesting that Malta has taken a highly restrictive approach. Meanwhile, this claim is still debated within virtual asset studies. Moreover, Chiu (2021, p. 16) refers to Buttigieg et al. (2019) for evidence that support the claim over Malta's regulation is lacking the rigour of EU law.

Despite the shortcomings in consumer protection identified by Chiu (2021) for the case of Malta,

Kfir states in reference to Buttigieg et al. (2019) that some are enthusiastic 'about a new world order' (2020, p. 116) without consumer protection and governmental oversight. Still, the equity of laws in Malta regarding 'retail investors' (Chiu, 2021, pp. 14–16) remains insufficiently answered by the literature building on Buttigieg et al. (2019). What is more, the article by Buttigieg et al. (2019) is not cited coherently by the literature, which makes further research necessary. Surprisingly, none of the research on the DLT framework in Malta has considered the recent proposal of the directive on Markets in Crypto Assets (MiCA) to the European Parliament, which potentially harmonises EU national legislation without the need for borrowing from MiFID. How the VFA legislation in Malta aligns with a coordinated European approach is subject of this research.

Most importantly, Buttigieg et al. (2019) focus on Malta's compliance with international requirements to combat TF and ML regarding its DLT framework and the applicable AML/ CTF EU law under the directives 2015/849/EU, 2018/843/EU, and 2018/1673/EU (European Parliament, 2015, 2018a, 2018b). There, the definition of criminal proceeds is defined and minimum standards for safeguards set, like customer due diligence (CDD). As for VAs, the directive 2018/843/EU requires EU member states to register or license VASPs (European Parliament, 2018b), which Malta is compliant with (Buttigieg et al., 2019, pp. 219–223). The directive 2018/1673/EU compliments the amendments to 2015/849/EU by 2018/843/EU with the criminalisation of aiding to facilitate ML/TF and higher penalties for perpetrators (European Parliament, 2018a, 2018b). Albeit, the research of Buttigieg et al. is comparatively unconcerned over the ML/ TF risk reported in the MER by Moneyval (2019) and highlights, 'notwithstanding the abovementioned [sic!] shortcomings' (2019, pp. 217), the possibility by VASPs to voluntarily include a forensic node in their infrastructure.

Yet, FATF determines that Malta must 'continu[e] to demonstrate that beneficial ownership information is accurate' (2021), in other words, it cannot be taken for granted. Additionally, FATF deems 'enhancing the use of the FIU's [Financial Intelligence Unit] financial intelligence to support authorities pursuing criminal tax and related money laundering cases' important to 'help[...] Maltese law enforcement detect and investigate cases in line with Malta's identified ML risks related to tax evasion' (2021), which translates into an ongoing insufficient use of the tools available and underperforming law enforcement activities. Furthermore, the VFA Act (VFAA) does not subject VFA issuers to the Maltese AML/ CTF legislation, if their offering is private (Buttigieg et al., 2019, p. 217). Meanwhile, Buttigieg et al. discern the reader by asserting that such persons are usually 'experienced investors' (2019, p. 217). Nevertheless, for a country with high risk for ML such concessions to the industry pose serious limitations of governmental oversight.

Taken together, the concerning summary in Buttigieg et al. (cf. 2019, pp. 217) with the disregard of the VFAA for miners, a clear distinction between issued ICO tokens in general and native network tokens in particular is important. Since Bitcoin and Ethereum are decentralised payment networks and programmable financial infrastructure respectively, and have now been linked to each other by protocols like the Renproject (2019), funds can be transferred without leaving a paper trail (Renproject, 2019). Not to mention, these links have been established with some privacy enhancing blockchains as well. Thus, customer protection is not the only concern, rather the possibility of utilising the Ethereum request for comments standard, such as the ERC-20 to proceeds of cybercrime in tokens or create a project oneself and launder the money by exchanging or transferring it across several blockchains in a privacy preserving manner. Finally, the proceeds of crime can be invested in a legitimate project and

declared as profits (Buttigieg et al., 2019; Chiu, 2021).

For a better understanding of the ML process, using the technologies available today, it is helpful to follow Fairpo (2019, p. 255) in tracing VAs' origins back to money used in online multiplayer strategy games, such as *The World of Warcraft*. Fairpo (2019, p. 256) pointed out that the state is generally not interested in regulating units of account, whether used within an online game or by a blockchain. States adhere to this principle even in spite of such tokens can be earned, mined or otherwise obtained, until they not only represent a real world value, but actually can obtain a tangible good or service. In other words, up until the actualisation of the monetary value it remains property and represents barter when exchanged. Now, the FATF recommends that any property with monetary value should be treated as it is possible to be acquired with proceeds of crime. This is the core concept of the RBA and applies especially to VAs, as FATF has issued a guidance where it considers a RBA to stable coins as a subset of VAs (FATF, 2019).

These 'so-called stable coins' are a form of tokenised or derivative peg to another unit of account or currency (FATF, 2020). As such, stable coins make use of the programmability of Ethereum and its ERC-20 standard so that they can be obtained in exchange for any other asset on the Ethereum ledger. In other words, the fact that Ether and Bitcoin are exchanged through their common denominator of USD makes any VAs on a public ledger susceptible to be exchanged in stable coins instead. These pegged tokens then can re-enter the traditional financial system through crypto credit cards or as investment in a company through trading the stable coins for security tokens. Hence, it likely takes only two to four swaps until a token is cleaned and ready to be introduced back to the financial market, while the concrete risks must be evaluated elsewhere.

The sociological perspective in Geva and Geva (2019, p. 288), states that for a note or coin to become money, it must be commensurable in an established community. Therefore, it is important to emphasise the risks of ML/ TF through VAs. For instance, the recent case of El Salvador designating Bitcoin as money legal tender (Oxford Analytica, 2021a) shows that the self-description of Bitcoin as e-cash has not made it *a priori* money, but today's acceptance did. Moreover, wallets as the media to store network tokens do not behave similar to bank money (Hare, 2019), because balances are not changed by a central authority. Furthermore, there is no company or individual which can be forced to disclose information to trace illicit funds on the Bitcoin network, as opposed to a bank where law enforcement could issue a search warrant to collect evidence in a branch (Kaplanov, 2012, p. 130).

Hence, in the case of VAs, trusted intermediaries are only responsible for the on- and off-ramping of funds, (CFTC Lab, 2020) which limits their ability to track and trace funds to their origins. In this regard, small states on the close periphery, such as Singapore, Malta, the Cayman islands (Roberts, 1997), or Liechtenstein are similar to DLT and the virtual financial sector, because OFCs and VAs use complex structures to link financial centres and payment systems. Since Singapore emerged as *entrepôt* with China becoming the world largest exporter, the increasing importance of VAs has started to produce reputational associations of blockchains as well. While some are labelled 'virtual tax havens' because of their privacy enhancing features, others are well known for their ability to link the periphery with the centres. Chiu (2021, p. 21) suggests that regulatory competition will persist and not necessarily produce competitive regulation to safeguard society from the risk of VA.

Nevertheless, governance does not only entail regulating institutions, but also protecting and ideally empowering the users. As mentioned earlier, the user often has a dual role of being investor at the same time. Still, the individual needs to exchange the fiat currency into VAs at some point, or *vice versa* when the VAs were acquired through mining. Only then it can be withdrawn from the exchange or transferred to a wallet on the blockchain. Tsukerman (2015) acknowledges that legislation must cover both perspectives to produce legitimate regulation, because the fluid relation of user and investor is the enabler of ML on the blockchain. Tsukerman (2015, p. 1152) establishes the categories of legislation outright protecting the consumer at all cost and introducing safeguards for the normative foundations of societies. This research suspects that the definition used by legislators in different jurisdictions can reveal which objective takes precedence over the other and, subsequently, what societies deem desirable. Thus, in the next two sections, the reference by Chiu (2021) to the regulation in the US regarding the role of the SEC is broadened under the considerations by Tsukerman (2015) and observations by Dickinson (2019).

### 3.4 Legal Perspectives on Regulation

This section provides an in-depth analysis of a recent and significant case for regulating virtual assets in the US. Ripple Labs Inc. allegedly issued securities, when distributing the native asset of its distributed ledger *Ripple* (United States District Court of Southern District of New York, 2020). In comparison to the *ex post* regulation in the United States, the Maltese VFA would have required Ripple Labs Inc. to obtain a licence before issuance (MFSA, 2020).

The case of Ripple Labs Inc. is vivid to explain the development in the US from very few reporting requirements to extensive licensing burdens at several federal agencies, because in the beginning it was only a technology company. Regulation is necessary in modern society, but when it is unclear which rules apply to a business, uncertainty increases. For businesses operating at the intersection of blockchains and financial markets, this meant having to price in legal risks, because it was not clear which rules to adhere. For instance, the legislator should enact rules to determine the nature of a token arising from blockchain developed by a technology company. Is it a security or money market instrument if developers reimburse themselves by deploying the blockchain and selling their network token allocation?

Developers currently only can pay their bills through a widely accepted medium of exchange. Bitcoin can already be used to pay for various products and services, as its acceptance increased since its inception (Hütten & Thiemann, 2017, p. 36), but bookkeeping obligations for taxation purposes make its use for subjects of US jurisdiction impractical. It follows, a soft pressure is imposed to sell the token holdings for legal tender. Now, the developers holding assets of a blockchain or an application on it are at risk to inflict reporting obligations on themselves. Despite the fact that these laws were intended to control financial services, technology corporations and developers are likely facing enforcement of the regulations by US agencies as well.

A prominent example of such borderline cases in the US is the complaint filed against Ripple Labs Inc. and its representatives by the SEC. There, the commission aims to establish that the Ripple token (XRP), indeed, is a security (United States District Court of Southern District of New York, 2020). The complaint embodies the large state approach to blockchain technology. Whether it is the guidance

issued by the German financial regulatory agency *Bundesanstalt für Finanzaufsicht (BaFin)* or its US American counterpart, existing legislation is applied to the new concept of network tokens with little or no legislative adaption. In the concrete case of Ripple Labs Inc., this meant little to no regulatory certainty and led to the corporation facing a complaint by the SEC. Allegedly, Ripple network tokens (XRP) were used to publicly raise funds. Its open accessibility of the code developed by Ripple Labs Inc. should have ruled out an exclusive claim over the ownership on the intellectual property, but the continuous sale of XRP from accounts held by the defendants gave rise to the suspicion of utilising its token holdings as securities.

In the complaint by the SEC it becomes evident that no effort was undertaken to distinguish a *coin* from a *token* and whether this difference would have any meaning to determine if this asset ought to be regulated (United States District Court of Southern District of New York, 2020, p. 7, No. 32). The rise of *initial coin offerings* in 2017 contributed to the confusion, because other cases followed Ripple Labs' practices with the aim to provide utility through tokens or liquidity with the sale of tokens (Marian, 2019; Oliveira et al., 2018). Their usage as means of payment or to provide utility were complimented by representing a share of a business or an investment like loan. Innovative for the financial sector, therefore, were not the properties of the token, but the ability to hold any token independent of its function and exchange it against another asset. In other words, securities are limited to regulate businesses raising, but lack the versatility to account for the functional fluidity provided by the blockchain. Thus, it is of little to no use when regulatory authorities disregard technical definitions in their industry oversight.

Due to its manifold regulating bodies, the case of the US has proven to be of special interest for this research. It contrasts the economically grounded approach in Malta, which is presented in the next section. Starting from SEC's language in its complaint, it was shown previously that *coin* and *token* are not interchangeable. Despite the fact that tokens are representations of non-fungible value and coins their fungible counterparts, the SEC put forward a definitional introduction, where it subsumed both interchangeably under *digital assets*.

Custodial services for equity securities give an example, where the definitional boundaries are overstretched. These traditional financial service providers tokenise the assets to be held on behalf of the owner. This eliminates the need of a securities account for the investor, but exposes the owners to counterparty risks. Similarly, the possession of Bitcoins held through Paypal is withdrawn from their owners direct control (Oliveira et al., 2018, p. 7). Only a blockchain is not necessary for these tokenisations, while it certainly could minimise third party risk.

Yet, overstretched regulations seldom work efficiently or effectively. US criminal rulings, which have been included in the most comprehensive legal literature on financial blockchain technology today (Fox et al., 2019), had mixed results. Proctor (2019, pp. 48–49) states that the court in *State of Florida vs. Espinoza* held Bitcoin, the proclaimed e-cash, not to be money and the licensing for operating a money service business was inapplicable. This view negates the applicability of the Banking Secrecy Act (BSA), which is enforced by FinCEN (Gruber, 2013, pp. 168–173). In *US vs. Murgio*, however, the court concluded FinCEN licensing to be applicable (Proctor, 2019, p. 49).

Kaplanov (2012, p. 153) found notions representative for the traditional banking system inapplicable



to Bitcoin or blockchain application like decentralised finance, which explains the unreliable interpretation in court. With an increasing number of arbitrated cases juridical outcomes may become more predictable, but *SEC vs. Ripple Labs Inc.* proves that the reporting obligations of US businesses handling virtual assets remain compartmentalised and with inconsistent approaches of regulatory bodies. More broadly, rules which govern the powers by the SEC remain unclear, as long as virtual assets are treated differently for taxation and in the court of law (Fairpo, 2019, p. 261).

### 3.5 Economic Considerations for Regulation

From an economic point of view, *virtual assets* capture the unique definitional requirements of the blockchain sector. Most importantly, they distinguish decentralised networks from digital centralised banking. Previously, the research established that the SEC expands the scope of securities laws. While it certainly is true that it mixed blockchain industry definitions with notions of digital banking, the SEC must have had some grounds for its actions. Ripple Labs Inc. raised the SEC's suspicion, because it acted contrary to its claims over revolutionising finance (Ripple, 2021). Following monetary theory, the desirable characteristics of precious commodities, such as scarcity and widespread acceptance as valuable also made their supply price inelastic, because they were used as medium of exchange. In some instances, this has led to the export of Sterling silver coins for silver extraction after they ceased to be legal tender (Zellweger-Gutknecht, 2019, p. 72). Fiat money substituted the circulation of gold or silver coins, as it provides central banks with the ability to change money supply to shocks. Some virtual assets promise to eliminate the central agent, who controls the money supply.

Historically, the dollar became a fiat currency, when it was debased from the Gold Standard in 1933. After the end of Bretton Woods, most fiat currencies existing today moved to free floating foreign exchange rates. Now they bear the risk of devaluations of legal tender expressed through a loss of buying power. These phenomena are present in countries such as Argentina (Green, 2019, p. 17) but feared in the United States and beyond. Cryptocurrencies met this need for reassurance that a unit of account will be a viable medium of exchange in the future, since the elimination of a central authority promised them to become a store of value. Now Bitcoin is accepted in commerce (Gruber, 2013, pp. 151), Ripple promises a peer-to-peer payment network and Ethereum denominates the operation of virtual financial markets. Whether these economic claims hold true, is also subject of the complaint by the *SEC vs. Ripple Labs Inc.*

Ripple Labs Inc. minted all coins when the blockchain went live in December 2012 (United States District Court of Southern District of New York, 2020, p. 9, No. 44-50). This caused a supply shock of XRP by 100 billion coins meeting no demand. Over the course of the next nine years, Ripple Labs Inc. representatives carefully distributed XRP to minimise changes in the exchange rate. In doing so, they shifted XRP's conception of a coin to a representation of its potential market value, i.e. a token. Then the SEC could claim Ripple Labs Inc. proceeded in this way to profit of XRP's market adoption, because the defendants acted against the vision they claimed to have for their blockchain.

In contrast, most blockchains issue their native assets over time through a process called mining. This subcategory of validation not only verifies transactions on the blockchain, but also searches for the next block in the chain subject to the next validation (Nakamoto, 2008). For the computational

work, miners receive remuneration in the respective native asset and its existing amount is enlarged. The distribution of responsibility for creating the resource of a network and the validation of its traffic make blockchains using decentralised forms of governance so appealing to advocates of the technology, because its design removes the single point of failure.

Blockchains are still susceptible for amendments or changes in the supply of their native asset, but it takes more than 50 percent of the computing power and not just one central authority. Yet, after a 51 per cent attack the majority that colluded to forcefully change the protocol then could be perceived as having properties of a central authority. Depending on the code, blockchain network tokens retain characteristics of natural resources, such as the commodity gold, to different degrees. Ethereum, on one hand, does not cap the supply of its asset Ether. Its validators have once voted to change the state of wallet balances reflected by the distributed ledger after a large scale theft occurred in 2016 (DuPont, 2017, p. 173). On the other hand, the Bitcoin community never allowed such changes to the code and the algorithm should stop minting Bitcoin after 21 million have been mined.

Generally, the likelihood of such changes in supply determines their economic behaviour. Bitcoin's computational scarcity makes it susceptible for descriptions of virtual gold. Ethereum provides utility for businesses and applications running on it. Although both are native assets to their blockchains, the former's price is likely to be inelastic to its supply like a precious metal, while the latter's price could share supply elasticity characteristics with other commodities. One advantage of fiat money over commodity money is its elasticity, for which it is also being criticised. The ability of the state to adjust the quantity of money in circulation exposes its holders to the risk of losing purchasing power through devaluation, or for the state itself when undertaking a revaluation.

The discretion of the issuer of tokens on blockchains, conversely, is the characteristic regulatory institutions are concerned of. It is very likely that the German equivalent to the SEC, the financial regulatory authority BaFin, focused on this characteristic, when it subsumed *tokens* and *security tokens* under the term *coin*. Returning to the case of Ripple Labs Inc., the continued distribution meant that it could adjust supply to the price of XRP and more generally this is common practice of initial token offerings (Bundesanstalt für Finanzaufsicht, 2019). A token that is launched with a new network can be misleadingly declared as a coin that is introduced into the market through an ICO, but not accompanied by a new network, because the difference is comparable to a company raising funds on the stock market to become publicly traded through an IPO to issuing securities after already being publicly traded.

For evaluating the economic properties of virtual assets regarding their monetary characteristics and their integration in corporate structures, the regulatory environment in the US has proven to be unreliable and highly disperse. On one hand, case law such as in *US vs. Murgio* contradicts the position of the IRS that Bitcoins are not funds, but only property (Proctor, 2019, p. 49). On the other hand, securities laws are applied by the SEC to some virtual assets post Bitcoin, which can be linked to a corporate entity. The businesses measures to distribute the virtual assets have proven not to be covered by the FinCEN and directly contradict virtual assets' exclusion from monetary instruments. Thus, it must be asserted that the regulatory landscape in the US is best described as a competition for competencies at a disadvantage of what used to be money businesses mostly handling digital property.



Overall, the legislative basis for economic certainty was neglected because definitions were not formally set through new laws. While existing banking laws were applied (Hare, 2019), inconsistent results in large states generally contrast a sensitive approach taken by small states. There, the diversity of blockchain tokens is accounted for. In Malta, the enactment of two specialised laws is an example of accounting for the diversity of blockchain tokens, because it differentiates financial tokens from virtual property. In other words, it regulates virtual assets, when they behave like precious metals, commodities, securities, or currencies and maintains an open market for virtual luxury items and utilities. Nevertheless, the concerns over the possibility to abuse a too narrow regulation remains and Malta's compliance with the FATF recommendations is necessary.



# 4 Methodology

The methodology chapter builds on the results coming from the review of the literature on small island states and VAs, as discussed in the previous chapters 2 and 3. The reader is provided with reasons for the utilisation of a Popperian critical rationalist approach (Kuckartz, 2010; Popper, 1973), which relies on quantitative empirical data retrieved from documents to guide the qualitative data analysis (QDA) of selected legislation by the EU and Malta. On EU level, the research focused on the three most recent EU directives on AML and CTF compliance, as well as the proposal by the EC on MiCA with its annexes. In the particular case of Malta, the DLT framework in its entirety was subject to analysis. All documents were examined using a mixed methods research approach, consisting of quantitative text mining based on natural language processing tools incorporated in packages for the data science programming language *R*, and coding based on keyword occurrences throughout the raw data. Both methods were applied to the respective documents and are presented in section 4.3. The chapter concludes with a discussion on the limitations of the research design, its tools, and opportunities for research in the application of further methods of analysis. An overview over the results is given and discussed in chapter 5.

## 4.1 Context and Objectives of the Research

The existing literature has proven to describe VA regulation with specific focus on some selected assets, such as Bitcoin or Ripple (Dickinson, 2019; Hare, 2019; Hsieh et al., 2017; Marian, 2019). Furthermore, mainstream literature mostly focused on a few large states, leading to an underrepresentation of legislative undertakings initiated by small states to accommodate technological advancements of DLT in their economies. In order to deepen the research on small island state regulatory approaches and to respond to some of the concerns raised by key literature, a case study of Malta is undertaken. The aim is to assess small state legislation on VAs and its interplay with supranational policy agendas. A further objective is to provide insights on the validity of stances found in more recent literature, which proclaim VAs 'enabling regulation' results in a 'race to the bottom' of financial transparency (Chiu, 2021, pp. 15–17).

While it certainly is important to observe large and economically influential states' and confederations' responses to the emergence of new financial applications, the emphasis on the role played by small jurisdictions on global financial flows and, more general, the interpretation from small island state studies cannot be neglected (Cobb, 1998; Hampton, 1996; Roberts, 1997). For this element of the discourse, empirical evidence was presented to underpin that small island states, historically, have enabled the success of large financial centres (Roberts, 1997), which often was at the expense of their own reputation and heavily influenced by a colonial logic of extraction (Aldrich & Johnson, 2018; Deckard, 2016). Among other arguments, it is believed to be useful to undertake a case

study of Malta in order to combine a large scale perspective on DLT, together with a policy analysis of its VFA regime that does not recourse on the '*deficit discourse*' around small island states (Philpot *et al.* (2015) qtd. in Baldacchino, 2018, p. 220). Firstly, Malta has prominently been featured in the literature after its proclamation to become the *blockchain island* (Gouder & Scicluna, 2018; Marian, 2019). Secondly, its VA regime is considered to be industry enabling (Chiu, 2021, p. 4), which aligns with key findings of small island state economies (Baldacchino, 2018; L. Briguglio & Kisanga, 2004) and contrasts the hegemonic approaches taken by large states such as the US or UK (Chiu, 2021; Jia & Zhang, 2017; Tsukerman, 2015). Lastly, Malta's membership to the EU obliges Malta to reconcile its domestic policy stance with large scale objectives, legislations and values of the EU (Esty, 2006, p. 1505), making it overall a peculiar case study in the context of islands and small states studies.

Until 2020, the EU appeared to combine the approaches to VAs taken by the UK and the US. In other words, EU authorities, such as the EBA, with oversight on financial regulation issued 'guidances' like the FCA in the UK (EBA, 2019; FCA *et al.*, 2018), but did not undertake actions to bring VAs in scope of regulation other than AML/ CTF provisions (European Parliament, 2015, 2018a, 2018b). However, after the early adoption of the DLT framework by Malta in 2018 and the subsequent criticism on the communication over the enactment of such laws and the legislation itself (Chiu, 2021; Marian, 2019), the European Commission (EC) proposed the MiCA directive in line with the ambitions of Malta for VAs (European Commission, 2020). In MiCA, the first sentence sets the ambit 'to further enable and support the potential of digital finance in terms of innovation and competition while mitigating the risks' (European Commission, 2020, p. 1). Meanwhile, the Financial Services and Capital Markets Union Financial Stability FSFSCMU reported in 2020 that EU has initiated a directive infringement procedure against Malta regarding its compliance with the AMLD V (FSFSCMU, 2020).

Despite the fact that the MiCA directive would cause desired harmonisation of regulatory approaches on DLT throughout its member states, it is likely to adopt a VA enabling regime that the literature considers as a concern, like in the cases of Switzerland, or Malta (Chiu, 2021; Marian, 2019). It follows that the findings of Moneyval (2019) give reason to continued concerns over the enforcement of financial transparency in Malta, while, on the other hand, its overall approach to VAs seems to have proven as competitive blueprint for supranational EU policy making. This dissertation aims to examine the legal basis for enforcing AML/ CTF rules in respect to VAs, however, the concerns are wider than VAs.

Thus, this research tries to establish the justification for the DLT framework self-position of Malta as "*blockchain island*" (Cointelegraph, 2018; Gouder & Scicluna, 2018). In this regard, counterarguments against the Maltese VA competitiveness are also considered. Consequently, their confirmation would result in the heightened doubts over Malta's ability to enforce the AML/ CTF legislation it implemented. In response to the research gaps discussed above, the following hypotheses are tested within a mixed method research approach.

H<sub>1</sub>: Malta's regulatory regime for virtual financial assets is fully compliant with EU anti money laundering directives.

H<sub>2</sub>: The virtual financial asset framework is a competitive virtual asset regulation in the EU.

Since the next section describes the context, in which Malta implemented its DLT framework, it is important to note that the laws in Malta were enacted in the same year the European Parliament legislated two major AML/ CTF directives. In this regard, H<sub>2</sub> should be interpreted as response to the historic context H<sub>1</sub> researches. It was hypothesised that H<sub>1</sub> does not capture the directives building on the framework of AMLD V and AMLC. Therefore, H<sub>2</sub> tests Malta's position in the current debate, while H<sub>1</sub> tries to ascertain how Malta got there.

## 4.2 Research Design and Data

The case of Malta offers the research on VA regulation the possibility to intertwine and contrast the findings over the categories of 'enabling', 'hegemonic', or 'self-regulating' approaches (Chiu, 2021) with policy choice depending on peripherality. Thus, a case study approach was chosen to capture Malta's particularity of being an example of combining two extremes on the scale of VA policy making. On one hand, as member of the EU Malta is part of a large supranational confederation, which is susceptible to a hegemonic approach of regulating VA (Campbell-Verduyn & Goguen, 2017; Chiu, 2021). On the other hand, it is also a small island state, which enabled, attracted, and regulated the VA sector (Buttigieg et al., 2019; Chiu, 2021; Marian, 2019). The sampling was theory-driven because legislation was selected for analysis (Bowen, 2009) and guided by literature at the intersection of competitiveness in small island states (Baldacchino, 2019) and the categorisation of VA regulatory regimes (Chiu, 2021; Tsukerman, 2015). Accordingly, an *embedded case study approach* (Eisenhardt, 1989, pp. 533) with multiple levels of analysis was chosen to ground the research in the paradigm of mixed method research (Datta, 2006).

Since this research is rooted in the literature of small island state studies and aims to contribute to the literature on the regulation of VAs, a two-phased approach was chosen to combine the two strands of the discourse. The first hypothesis was tested deductively because qualitative legal research on the compliance of the Maltese DLT framework was already undertaken in Buttigieg et al. (2019). In fact, H<sub>1</sub> is operationalised in codable containers, which are able to describe the content in the legislation (Kuckartz, 2010, pp. 55–68). Namely, the requirements set out in EU legislation are incorporated as control variable and the provisions found in the Maltese legislation form the dependent variable of compliance. Since the literature provided a comprehensive list of three legislations relating to the DLT framework in Malta (Buttigieg et al., 2019; Chiu, 2021), existing theories determined the sample for the tested variable.

In order to operationalise the dependent variable of Malta's compliance, indicators are needed to support the establishment of codes, which are then used to analyse the documents. For this reason, the independent variable of EU requirements is limited to AML/ CTF directives in force, until and beyond the date of the enactment of the Maltese DLT framework. Before the structured analysis was undertaken, the legislation was reviewed. This prompted a total of three EU directives to test the first hypothesis. In particular, the set of EU documents applicable are the directives 2015/849/EU,

2018/843/EU, and 2018/1673/EU. A thorough description of the documents is undertaken in section 4.4, where the sample is presented in depth.

Generally, legal documents are reviewed and analysed for both hypotheses, however, this research is not undertaken in the field of law. Rather it is conducted to establish the ways of compliance by Malta. Hence, it does not test the mere status of directive transposition in Malta's national legislation, as it is presented on the website of the EU (FSFSCMU, 2020). For that reason, the research seeks to contextualise Malta's compliance in relation to its status as small island state and possibly a compliant *blockchain island*. According to the modern democracies division in checks and balances legal facts, such as implementation status of legislation, do not suffice to account for the enforcement of law. Furthermore, the underlying choice to conduct this research with the methods of social sciences instead of legal analysis is supported by the fact that Malta faces an EU infringement proceeding for its implementation of the directive 2018/843/EU (FSFSCMU, 2020). Yet, it is acknowledged to have transposed the requirements of AMLD V into national legislation (FSFSCMU, 2020). Moreover, its greylisting by the FATF (2021) and the MER issued by Moneyval (2019) prompt reason to focus on investigating the authority over AML/CTF enforcement in Malta.

In response to the contingent implementation and enforcement of AML/ CTF procedures through the DLT framework in Malta, a critical approach to data generation and analysis was taken. Following *critical rationalism*, the problem of testing the hypothesis is solved by developing *tentative theories*, which were then subject to *error elimination* (Popper, 1973, p. 287). Thus, the codings for the QDA were 'triangulated' (Datta, 2006, p. 35) by quantitative data. While both used methods of computer linguistics, the quantitative methods were conducted before the final results were analysed qualitatively. In particular, this research used text mining in the statistical software *R* to retrieve the most common words in the EU AML/ CTF directive and the Maltese DLT framework. The words from the different legislating bodies were then compared by their frequencies. Afterwards, the quantitative data was translated into keywords. Both research paradigms (Bryman, 2006) were considered throughout the process. Particularly, the qualitative component incorporated the keywords' relevance to the FATF standard of a RBA towards assets used for ML/ TF (FATF, 2019), and the word frequencies in the legislation represented quantitative elements in the research.

Overall, the approach combined qualitative with quantitative methods to triangulate the coding of the legislation to test the two hypotheses (Datta, 2006, p. 31). In response to the large volume of this research's qualitative data, indicators of significant passages had to be incorporated in the research design. These were included to justify the case study approach, because a comparative policy analysis of multiple states and jurisdictions was not feasible in the limited time. Hence, the hypotheses were interlinked through establishing a *shared frame* (Ullrich, 2008, p. 25) at the intersection of the small island states competitiveness paradigm and the compliance framework of VA regulation studies. In the following, a detailed description of the research method is provided to equip the reader with knowledge necessary for understanding the relation of the described sample and the retrieved data.

### 4.3 Research Methods

As mentioned above, to test the two hypotheses, the research employed three different methods, two of which are quantitative and one is qualitative. In the epistemological literature of mixed methods research to triangulate qualitative findings was emphasised (Datta, 2006; Eisenhardt, 1989; Reichardt & Cook, 2006; Sale et al., 2006; Santos et al., 2017). For this particular research triangulation required an analysis, which used several methods to underpin the results of the QDA (Ridder, 2017). Therefore, the quantitative examination was included to increase reliability and answer to the concerns of proponents and practitioners of critical discourse analysis. These researchers in the Foucaultian tradition have stressed to not just examine documents rigorous and thoroughly (Blommaert, 2009; Machin & Mayr, 2012), but also question the knowledge such research 'produces' (Foucault, 1996).

Hence, the mixed method approach was taken to combine quantitative text analysis with QDA. Yet, limitations of time and scope for this research project required the incorporation of a critical approach to the own findings into the qualitative data selection itself. Thus, the following paragraphs represent theory-driven quantitative theory testing with subjectivist theory building. In other words, the three-phased research (Santos et al., 2017) is an interpretative evaluation of legislation guided by empiric and descriptive document data.

While the research design was presented as an interconnected and iterative process, it is necessary to explain the dominant method of each phase in depth. For this reason, the output of the different tools must be understood as research beyond the 'qualitative and quantitative divide' (see also Reichardt & Cook, 2006, p. 226) because it incorporates principles of both traditions of enquiry. Thus, *critical rationalism* is dominant in the first phase, while from the second to the third phase it is complemented by critically examining the results inductively, *i.e.* in context of the means used to produce them. In sum, this research acknowledges the 'paradigm war' (Datta, 2006) going through mixed method research. However, on this divide cannot be elaborated in depth. Therefore, the methods of all three phases are now introduced independently from each other, but must be regarded as performed together in a case study. Next subsections introduce text mining, keyword queries, and QDA.

#### Text Mining

The method of this research departs from the methodology in Bone et al. (2016), where text mining was used to triangulate qualitative research on sentiments in the Scottish independent referendum. Bone et al. (2016) mapped the discourse quantitatively through retrieving terms from Tweets over a fixed period of time, which were associated with specific hashtags that were previously known. In contrast, this research could not rely on keywords used in the broader AML/CTF and VA discourse to map the documents reliably because these would be susceptible to selective bias (Bowen, 2009, p. 32). Moreover, Tweets are a highly standardised form of communication, while legal documents are structured depending on the legislative body and the legal tradition they adhere to. In other words, Twitter communication is often used to express sentiments, predefined by threads, hashtags, and the character limit, directed at a specific event (Bone et al., 2016, p. 7). Contrary, legislation often takes the form of long documents, which are contextual and produced for a large range of scenarios (Bowen, 2009, p. 31).

Therefore, text mining was the first step in this research as opposed to a later phase in Bone et al.

(2016). Here it was used to retrieve frequent words in the EU directives and the Maltese legislation. The word frequencies were then analysed for patterns (Datta, 2006, p. 35) that would be connected to the theory. As a preliminary step, text mining prevented the QDA to only '*lift* words and passages from available documents' ([emphasis added, substitutes quotation marks in quote] Bowen, 2009, p. 33) without evaluating the passages meaning in relation to the hypotheses.

Yet, for text mining to be a feasible technique for the identification of *latent patterns* (Parsons, Talcott (1938) after Luhmann, 2017, p. 23), which are implicit meanings in the text, morphological typographies had to be overcome. In other words, different terms expressing similar requirements for AML/CTF had to be associated with the same category in spite of their difference. In particular, text mining neglects the structure of language and only counts strings of data, which posed a problem. When text mining is applied crudely it counts words that are not relevant for the research, because syntactical structures and tenses also require words. For example, in this case it is not important whether 'be' was used more often in simple past or present tense even though it is a different string of data and counted separately. Therefore, so called 'stop words' are removed by the text mining algorithm.

At a basic level, text mining also does not account for the similarity of 'agent', 'agents', or 'agency' with the shared property of being subjects of law because they are different strings of data. To solve this problem, the research resorted to the theory of linguistic *types* and linguistic *tokens*. According to C. S. Peirce cited in Hutton different words or *tokens* can be of the same *type* (1990, p. 18). In the example above, the three different words are *tokens* of the same *type*, because they share the Latin origin – *agere*.

To solve the linguistic variability, which limits the suitability of text mining for this research's objective, *natural language processing* (Kao & Poteet, 2007a) was used to equalise all the different words with shared lexicographic meaning. It is a subfield of computer linguistics, which identifies words and transforms them into a machine readable standard format of meaning (Divya et al., 2020). Two main approaches exist to accomplish this task (Divya et al., 2020). For one, lemmatisation divides words into smaller units and is trained to recognise only those units that convey meaning (Ingason et al., 2008). Lemmatisation algorithms must be trained on a specific corpus, which makes it impractical for this research.

Another widely accepted method is stemming (Divya et al., 2020; Kao & Poteet, 2007b). It is called stemming, because it reduces all words to their stems. For instance, the words mentioned earlier that originate in Lat. *agere* would be reduced by the stemmer to their stem of *agen* (Marchisio et al., 2007, p. 74). Although this approach is less accurate (Divya et al., 2020), it is practical for the research because the results are reviewed in the second and third phase of the research. Additionally, the availability of lemmatisation packages for R is highly limited. Since this research relied heavily on the support of the R programming language, it was important to use available packages with an implementation achievable in the given time frame. In appendix D the code is presented on the example of the VFA Act, however, the code was applied to all eight documents. The documents were analysed together as corpora of their legislative bodies and as one aggregated hypotheses independent corpus.

The research proceeded as follows. Firstly, the documents' source format was converted into the plain text format ANSI. Then all long spaces were collapsed. Afterwards, the *tm package* was used to form a corpus, which then was converted into lower case words, stripped of the remaining spaces, stop



words, and its punctuation. The cleaned data was later converted into a vector matrix of words with the length of their occurrences. Lastly, the most frequent words were plotted. The less frequently they occurred in the corpora, the smaller and less opaque they are displayed. In order to include the plots into this document, the plots were exported to T<sub>E</sub>X format.

## Keyword based Text Search

While the text mining analysis provided the research only with an overview on issues most prominently discussed in the respective legislations, a detailed insight in the structure of every single document was necessary to test the hypotheses. Consequently, this subsection clarifies the means, which were utilised to prepare the QDA. It was determined that the central goal of this phase was to identify sections of legislation that contain data relevant for describing the relation of Malta's VFA to EU directives. Given the linguistic structures explained in the previous subsection, the search for relevant passages had to be limited to units independent of the syntax. Table 4.1 shows verbs, which were searched in the document only by their stems. Nouns were in most cases divided into stems as well, except for abbreviations and those representing a concept, such as 'virtual financial asset' or 'service provider'.

Although in all instances the analysis dealt with legal documents, it must be taken into account that legislation from different legislative bodies was analysed. Particularly, the nature of EU policy making as *multi level governance* (Stephenson, 2013) had to be accounted for. In other words, directives legislated by the European parliament are not directly and literally transposed in national legislation. Rather, a binding policy objective is given and the means to achieve the desired outcome. Furthermore, the principle of *subsidiarity* retains the jurisdiction of all member states over their national legislative processes (Stephenson, 2013, pp. 823). Only if a member state is found to be in violation of EU law, the case is referred to the European Court of Justice where measures can be taken (Tallberg, 2002). Thus, it was unlikely for the research to retrieve meaningful results by applying the same set of keywords to the EU directives and the Maltese acts.

For this reason, during the second phase of data selection two legislation type specific lists of keywords were created. They consist of fourteen keywords for EU directives and proposed directives, as well as, 22 keywords for Maltese legislation (see table 4.1). Since both keyword queries had to be grounded in the theory of a mixed method case study (Eisenhardt, 1989; Kuckartz, 2010), a 'common frame' (Ullrich, 2008, p. 25) had to connect both sets of indicators. Therefore, VA regulation with respect to AML/CTF safeguards was chosen to form a core of eleven keywords for which all documents were searched. Despite the keyword queries' foundation of first phase findings, more information on the context where the keywords occurred was needed. As a result, the keywords' exact locations were retrieved by recording the lines in the document where they were found. This supported the qualitative coding itself, but also the construction of the labels to code the documents qualitatively.

Table 4.1: Keywords for both types of legislation used for the keyword query

|    | Keywords Malta legislation | Keywords EU legislation |
|----|----------------------------|-------------------------|
| 1  | virtual financial asset    | enable                  |
| 2  | VFA                        | virtual                 |
| 3  | whitepaper                 | crypto                  |
| 4  | licenc/se                  | DLT                     |
| 5  | holder                     | whitepaper              |
| 6  | fine                       | licenc/se               |
| 7  | crime                      | service provider        |
| 8  | enforce                    | register                |
| 9  | DLT                        | agen/t/ts/cy            |
| 10 | service provider           | enforce                 |
| 11 | register                   | holder                  |
| 12 | crypto                     | fine                    |
| 13 | monitor                    | crime                   |
| 14 | report                     | framework               |
| 15 | record                     |                         |
| 16 | review                     |                         |
| 17 | exempt                     |                         |
| 18 | dut -y/-ies                |                         |
| 19 | responisble                |                         |
| 20 | oblige                     |                         |
| 21 | audit                      |                         |
| 22 | agen/-t/-s/-cy             |                         |

Now, a chronological description of the process from keyword creation to preparation of the QDA is given to justify the utility of the keyword query for the research objective. The keywords were designed to identify theoretical deficiencies and increase the accuracy of the data selection (Bowen, 2009, p. 31). Thereof, frequently used words occurring in several documents were added to the list. Then these first sets were tested on Maltese legislation with regard to  $H_1$ . Later, the results were reviewed and the keywords were tested on the EU legislation. In a third step, the queries on all legal documents were taken and evaluated based on the premises of multi level governance and the intermediary question of the variables that connect  $H_1$  and  $H_2$ . It was found that the keywords had to account for the variety of issues discussed in the legislations. This resulted in a manual review to establish a set of assumptions to ground the increased the number of keywords.

It was determined that both documents aim to regulate financial applications that make use of DLT, also known as VAs. Furthermore, the enacted regulation needs subjects that have to abide by it. Lastly, the regulation must be enforced through clear and identifiable actions of an authority to ensure compliance. Eventually, these three premises led to the sets of keywords displayed above. The assumptions were then translated into nodes to guide the transformation of keywords into coding labels in phase three. Afterwards, the keyword queries were run. As by that time the documents were reviewed several times, their layout was known. Hence, a range of ten lines was inductively set as a range of co-occurrence. The last step of research phase two mapped the keyword occurrences.

## Qualitative Data Analysis

In this subsection, the methods used for the QDA are described. It was the chronologically last phase of the research and drew on the knowledge generated by the two previous phases, but also critically examined their findings. Hence, it incorporated the keywords from phase two, which in turn built on results generated in the first phase as coding labels. Furthermore, the assumptions by which the keywords are organised to connect the two hypotheses were rephrased to form a node system consisting of three nodes. The node '*technology adaptive*' covers the requirements set out by the EU. '*Subjects of regulation*' are marked passages in the legislation where persons or entities are brought into the scope of regulation, whereas *safeguards* organises the codes, which denote the practices

regulation requires.

Table 4.2: List of Codes for QDA with assigned nodes

| Code ID | Code Name               | Node                   |
|---------|-------------------------|------------------------|
| 1       | virtual financial asset | technology adaptive    |
| 2       | issuance                | technology adaptive    |
| 3       | whitepaper              | technology adaptive    |
| 4       | DLT                     | technology adaptive    |
| 5       | crypto                  | technology adaptive    |
| 6       | exempt                  | technology adaptive    |
| 7       | agent                   | subjects of regulation |
| 8       | holder                  | subjects of regulation |
| 9       | service provider        | subjects of regulation |
| 10      | license                 | safeguards             |
| 11      | fine                    | safeguards             |
| 12      | crime                   | safeguards             |
| 13      | enforce                 | safeguards             |
| 14      | responsible             | safeguards             |
| 15      | oblige                  | safeguards             |
| 16      | audit                   | safeguards             |
| 17      | duty                    | safeguards             |
| 18      | report                  | safeguards             |
| 19      | record                  | safeguards             |
| 20      | review                  | safeguards             |
| 21      | monitor                 | safeguards             |
| 22      | register                | safeguards             |
| 23      | virtual                 | technology adaptive    |
| 24      | framework               | safeguards             |
| 25      | enable                  | technology adaptive    |
| 26      | amendments              | technology adaptive    |

The keywords from the previous phase of the research were adapted as little as possible to retain a direct link between all three stages. In other words, the QDA also evaluated the findings of previous phases, which could then be validated or disregarded. Thus, table 4.2 displays 26 labels applied to all documents. There, it should be noted, the label ‘*issuance*’ replaced the keyword ‘VFA’ because the VFAs were a Malta specific term, but the issuance of any VA should be recorded by the QDA. Additionally, ‘*amendment*’ was added to reflect the character of AMLD V as it amended AMLD IV.

In respect to the QDA itself, it was supported by the *RQDA package* for the programming language *R*, which provided a graphical user interface through which the coding was performed manually on the text. Only after the documents were coded, the codings and their quantitative metrics were retrieved through the command line in the *R* console. Yet, before any of the coding was performed, the source documents were transformed into a compatible format and amended to include line numbers. While the coding procedure was guided by the results of quantitative keyword query, the documents were reviewed in full to account for possible weaknesses in the preceding phases of the research. Nevertheless, the documents were not read chronologically, as it was considered important to follow Kuckartz, which emphasised the necessity for coding to ‘decontextualise’ (2010, p. 62).

Since the QDA is rooted in the intersection of the critical rationalist and the critical school of thought (Kuckartz, 2010; Ullrich, 2008), it proceeded deductively according to the former and applied induction preferred by the latter. More precisely, it tested the results from the quantitative

methods applied in previous phases, which adheres to critical rationalism (Kuckartz, 2010; Popper, 1973). However, it subjectively constructed the nodes by reviewing the coding which is in line with Foucaultian critical discourse analysis (Foucault, 1996; Machin & Mayr, 2012). In spite of the theoretical variety, the QDA applied the unified and accepted method of 'evaluative coding' (Kuckartz, 2010, p. 62) by asking the following question:

- What does Malta need to comply with regarding VAs?
- How does Malta comply with EU requirements by the EU
- Who is regulated?
- In which way does Malta relate its compliance to the entities and practices it regulates?

### Validity and Reliability of the Methods

Through its mixed method approach, the research repeatability is limited because the QDA and the connection of the individual phases was influenced by a subjective design. Nonetheless, the available quantitative data can be re-evaluated and used to ascertain whether the transformation of outputs from previous stages into for the following phases was valid. Furthermore, it is questionable how reliable the results could measure the compliance in a concrete case, for example, to which extent a corporate entity in Malta complies with regulation. Yet, this was not the objective of this research. Instead, it aimed to map the overall compliance of Malta given the uncertainty of an EU treaty infringement proceeding and its greylisting by FATCA.

Nevertheless, some remarks on the tools used, according to the research's methods and design, are necessary. First, the corpora used for text mining were cleaned from so called stop words. For example, these are auxiliary verbs, conjunctions, pronouns, or negations. In regard to the AML/ CTF legislation, some could have been of relevance if they occur with a high frequency, which could not be attributed to linguistic phenomena. If that was the case, their relevance would have had to be validated in every instance, which was not feasible in the given time. More importantly, such stop words were neither removed from the keyword queries nor from the texts for QDA, which justifies the position that their removal did not limit the validity or reliability of the research.

Second, some keyword queries returned false positive results, such as for 'fine'. Occurrences for *define* were counted by the algorithm as the plural of fine – fines. Thus, the keyword frequencies presented in the next section are to be interpreted with caution, as their reliability is limited. Nonetheless, the validity of the research foci was not compromised because the keywords only guided the QDA and the results by the keyword queries were reviewed. Moreover, it did not influence the keyword creation, since these issues do not extend to the text mining phase.

In sum, the research is best described as iterative, which was to be expected through its mixed method design. Furthermore, iterative researches can be found in other fields dominated by quantitative methods as well. For example, financial mathematics use qualitative methods to model market data for credit risk prediction. Although practitioners have described this process as *tinkering* (Kalthoff & Maesse, 2012, pp. 217–225), so far it has proven to be reliable and valid for research on the

intersection of social sciences, economics, and law.

## 4.4 Sample Description and Retrieved Data

A total number of seven legislations contained in eight documents were analysed. Three of the seven acts were enacted by the Parliament of Malta. The Malta Digital Innovation Authority Act (MDIAA), the Virtual Financial Assets Act (VFSA), and the Innovative Technologies Arrangements and Services Act (ITASA) was analysed as Malta DLT framework. It was established that the MDIA Act was the first to go into force on the 15<sup>th</sup> July 2018. Later that year, the VFA and ITAS Acts completed the DLT framework in Malta. Both the ITASA and the VFSA were provisioned on the 1<sup>st</sup> November 2018. These are the documents on which  $H_1$  is tested.

For EU directives, the following documents were subject to the research. The chronologically first EU directive entails comprehensive measures against ML and to combat TF. Meanwhile, in the second directive the previous one is amended to cover the utilisation of VAs. Afterwards, the latest directive was provisioned to increase penalties for money launderer in combination with expansive criminalisation of aid to launder money. These represent the framework on which the compliance of Malta is measured. For  $H_2$  the two documents forming the EC directive proposal for MiCA were analysed and compared to the DLT framework of Malta.

AMLD IV: 'Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC [European Communities] of the European Parliament and of the Council and Commission Directive 2006/70/EC [European Communities]'

AMLD V: 'Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC [European Communities] and 2013/36/EU'

AMLC: 'Directive (EU) 2018/1673 of the European Parliament and of the Council on 23 October 2018 on combating money laundering by criminal law'

MiCA: '[EC] Proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937', Brussels, 24.9.2020

MiCA: 'Annexes to the [EC] Proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937', Brussels, 24.9.2020

During the QDA, 458 codings with a total length of 450838 characters were retrieved from the documents, which will be reviewed in the next chapter and put in the context of the overall findings of the research.

# 5 Results and Discussion

According to the methods set out in the previous chapter, this chapter highlights the findings of the research in the context of the hypotheses by proceeding as follows. First, the results are presented in respect to the method, which was used for their retrieval. For their graphical nature, the data processed through text mining gives a broad overview. Afterwards, the chapter gradually introduces passages coded by the QDA through their connection to the keyword query. Second, the results are discussed in depth and with emphasis on concrete provisions made in the legislation. Later, discussion refers to selected literature to interpret the research in the context of small state studies and VA regulation research. The chapter is closed with examining the limitations of this research. For this debate it uses the interpretative conclusions provided by existing literature to highlight areas for future research that are worthwhile to pursue in regards to the insights gained by the means applied within this work.

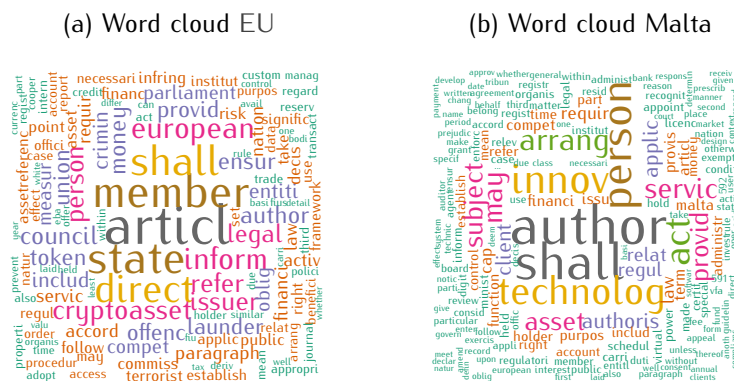
## 5.1 Content Analysis of Legislation by the EU and Malta

Next to anticipated results of the keyword query and QDA for the EU directives AMLD IV and AMLD V, the application of text mining held some surprising and unintended results. For example, the structure of the word frequencies in Maltese legislation differed significantly from those of the EU legislation, as in figure 5.1 is shown. Its subfigure 5.1a contains many words in different colours and font sizes. Even though a circular pattern of yellow printed words around the largest words in the centre can be distinguished, the colours and sizes of the words in general are equally distributed throughout the plot. On the right side, the data from the Maltese documents is displayed in subfigure 5.1b. There, a clear division into periphery and centre is visible. In the corners and edges of the plot many words in small font size are printed in turquoise, while a circular multicoloured pattern of large words is located centrally. For this reason, it is important to clarify that the same sample size of  $n=200$  was taken to plot the results for both types of legislation. Furthermore, the same algorithm delivered more similar results for the words in AMLD IV, which is included in figure B.1 of annex B.3.

It could be ascertained through text mining that the level of governance influenced the set of words frequently used. Thereof, in the EU legislation 'member' and 'state' were among the most frequently used words. In contrast, regularly used words in the Maltese legislations included words such as 'person', 'author[ity]' or 'innov[ative]' 'technolog[ies]'. As displayed in the word clouds included in figure 5.1, the two legislating bodies made different subjects central to their legislations. One would expect that in a corpus consisting of four different legislations on EU level where only one explicitly focuses on VAs, VA specific terms do not appear as often in the corpus.

In this particular case the majority of directives set requirements for AML/ CTF safeguards and only the proposal for MiCA with its annexes particularly addressed VAs as proposed legislation. There, MiCA often included the term 'cryptoasset'. It even used it more frequently than VFA or 'virtual financial asset' which are included as characteristic terms in the legislation of the DLT framework. When examined more closely, it was shown that 'cryptoasset' exceeded the frequency of words emblematic for AML/ CTF legislation in the EU directive corpus, such as 'crim[e]', 'launder', or 'oblig[e]'.

Figure 5.1: Word Clouds for Malta and EU legislation



Differences in the Maltese legislation to the EU directives were to be expected. But the fact that they are visible at the first phase of the research was unexpected. Even in consideration of the mixed methods approach represented by these graphics, an explanation must be found through quantitative analysis because the algorithm accounted for the frequency of the words and not their relevance. Therefore, it is turned to table 5.1 where an abridged version of words and their frequencies in EU and Maltese legislation is displayed.

Table 5.1: Twenty most common words/frequency in EU and Malta legislation

|    | Words EU    | Word Frequency EU | Words Malta | Word Frequency Malta |
|----|-------------|-------------------|-------------|----------------------|
| 1  | articl      | 4889              | author      | 955                  |
| 2  | member      | 3945              | shall       | 876                  |
| 3  | state       | 3843              | person      | 731                  |
| 4  | shall       | 3508              | innov       | 695                  |
| 5  | direct      | 3298              | technolog   | 642                  |
| 6  | inform      | 2399              | act         | 587                  |
| 7  | european    | 2357              | arrang      | 483                  |
| 8  | cryptoasset | 2101              | servic      | 440                  |
| 9  | person      | 1980              | may         | 439                  |
| 10 | refer       | 1969              | subject     | 407                  |
| 11 | issuer      | 1960              | asset       | 391                  |
| 12 | legal       | 1845              | provid      | 381                  |
| 13 | council     | 1825              | applic      | 288                  |
| 14 | author      | 1743              | authoris    | 288                  |
| 15 | money       | 1725              | client      | 283                  |
| 16 | ensur       | 1712              | regul       | 250                  |
| 17 | token       | 1682              | relat       | 242                  |
| 18 | union       | 1666              | requir      | 223                  |
| 19 | offenc      | 1634              | law         | 219                  |
| 20 | provid      | 1634              | cap         | 202                  |

In table 5.1, through comparing only the frequencies of the twenty most frequent words, it is clear that the number series of the EU directives decreases slower than the frequencies of the words in the Maltese legislation. When it is considered that the word frequencies are not linear functions, then their rate of decrease can vary. Thus, word frequencies in EU legislation that decrease at slower rates than word frequencies in the Maltese legislation support the explanation for the pattern given for the results in subfigures 5.1b and 5.1a.



Yet, more interesting and relevant for testing the hypotheses is the fact that the Malta used as many verbs that oblige someone or something, as the EU in its directives. The only difference is that the stems of the nouns in the acts of the VFA are seemingly more diversely capturing the specific requirements of the DLT industry. The EU directives only exhibit such attentiveness by the words 'cryptoasset', 'token' and even these two are more broadly nested in a discourse of finance or monetary policy in general.

Moreover, the corpus of Malta overall delivered very different results to the ones highlighted for the case of the EU directives above, but the similarity that both corpora of legislation have their respective specialised terminology is noteworthy. Especially their relation to DLT specific vocabulary should be mentioned. Malta, for example, highlights the technology with those that offer it, while the EU focuses on the applications of the technology as 'cryptoassets' or 'tokens'. Financial use cases are still accounted for in the terminology of both legislations, only Malta uses the broader concept of 'asset'. VFAs also are assets, but it simplifies the application of the laws because straightforward terminology is a central point in the demand by FATF (2019) to take a coordinated RBA. For this, the MiCA proposal has to refer to FATF explicitly in its pre-  
amble, where the QDA retrieved the overlapping coding of *service provider, enforce, and crime* as follows:

'822' ' definition of 'crypto-assets should therefore correspond to the definition of 'virtual assets' set out in the recommendations of the financial action task force (FATF) 34. for the same reason, any list of crypto-asset services should also encompass virtual asset services that are likely to raise money-laundering concerns and that are identified as such by the FATF. '826' '

While this directly establishes the link to the standards set out by FATF, Malta takes a negative approach to define assets in the VFA as different from common investment vehicles and brings them under the scope of the VFAA. Therefore, it circumvents the necessity to define VFA as money and states that as soon as these 'assets' are based on innovative technology, they are under the scope of the DLT framework. It is advantageous because it does not have to draw the connection to stable coins or asset backed tokens, like tokenised property in general by stating:

'23' ' 'assets' means movable and immovable property of any  
'24' ' kind and excludes financial instruments as defined in the second  
'25' ' schedule to the investment services act, whether issued in Malta or not;  
'27' ' 'collective investment scheme' shall have the same  
'29' ' meaning assigned to it under the investment services act;

Previously in this section, the idea was conveyed that words, which seemed typical for Maltese VFA regulation, were not found as frequently as comparable terms in the EU directives. For example, in figure 5.1b the abbreviation of 'VFA' was not included among the most frequent terms. Although this was unexpected to occur in the text mining as a result, the terms denoting Maltese legislation as

DLT framework have proven to be only a label for competitiveness. In contrast, the broad term 'asset', included in the preamble of the VFAA, was included among the fifteen most frequently used words throughout the Maltese legislation.

Another aspect of the relationship between the usage of the term 'asset' and its Malta specific counterparts of 'VFA' and 'virtual financial asset' was found through the keyword query of the latter two. There, the position that VFA is just a competitive label was limited. It is obvious that Malta has an incentive to competitively label its framework, because Malta charges for issuing licences under its framework a minimum of 6,000 EUR and annually 5,500 EUR or more depending on the licence and revenue (lines 776 to 842 VFAA). Malta had to memorably name it to attract individuals or entities to apply for the licences, however, it strengthens the argument that Malta is more concerned about the social perimeter than VAs as financial vehicle. This is not to say the technology is irrelevant for VAs' regulation in Malta, but to emphasise that in table 5.2 keywords that denote a subject under the DLT framework appear more frequently than technology specific keywords. While the limitations of the keyword frequencies have been established in section 4.3, it is still important to note that the actions 'service providers', 'agent[s]', or 'licence' 'holder[s]' have to perform are frequent throughout all three acts.

Table 5.2: Keyword table and their frequency in Malta legislation

| Keywords                | ITAS Act | MDIA Act | VFA Act |
|-------------------------|----------|----------|---------|
| virtual financial asset | 2        | 0        | 30      |
| VFA                     | 2        | 0        | 27      |
| whitepaper              | 1        | 0        | 6       |
| licenc/se               | 0        | 0        | 40      |
| holder                  | 50       | 28       | 15      |
| fine                    | 9        | 36       | 4       |
| crime                   | 1        | 8        | 0       |
| enforce                 | 2        | 87       | 1       |
| DLT                     | 6        | 2        | 0       |
| service provider        | 21       | 4        | 0       |
| register                | 62       | 10       | 9       |
| crypto                  | 1        | 2        | 1       |
| monitor                 | 0        | 5        | 1       |
| report                  | 0        | 9        | 5       |
| record                  | 4        | 10       | 11      |
| review                  | 21       | 20       | 5       |
| exempt                  | 3        | 7        | 22      |
| duty/ies                | 14       | 13       | 16      |
| responisble             | 3        | 24       | 5       |
| oblige                  | 6        | 12       | 6       |
| audit                   | 7        | 11       | 7       |
| agen/t/s/cy             | 39       | 1        | 2       |

## 5.2 Competitiveness in Malta and the EU

This section addresses the overall findings in a context with concrete passages included in the different legislations to test and substantiate the hypotheses. Meanwhile, it is still necessary to allude on the correlation of the term 'asset' with its Malta specific counterpart 'virtual financial asset'. It will connect the negatively defined scope of the VFAA with the contents of the remaining two Maltese acts. All three acts differ in their scope and issues they address widely. Their differences are reflected in the frequency of 'virtual financial asset' being included, where the MDIAA does not make mention of it at all. The term 'asset' varies equally in the frequency of all three acts (see in A.2). Smaller numbers of occurrences for 'virtual' and 'financial' in the combined corpora of Maltese legislation indicate that the DLT framework goes beyond the requirements for member states' legislation set by the EU AML/ CTF

directives since the VFAA by itself requires:

'339' ' VFAA class 4 licence holders authorised to provide any VFA service. class 4 licence holders may hold or control clients' assets or money in conjunction with the provision of a VFA service. '341' '

'467' ' (4) the subject person shall maintain accurate records and accounts in a way that ensures accuracy, and in particular their correspondence to the virtual financial assets and money held for the clients and that they may be used as an audit trail.'470' '

In other words, it licenses VASPs and requires them to keep records to be able to track and trace funds. 'Asset' is operationalised by these statements in the VFAA to define funds that are different from traditional assets because they are 'virtual', but nevertheless a 'financial' tool. On one hand this makes the VFAA relatively short as opposed to the other Maltese acts with 28 pages of text in the ITASA and 56 for the MDIAA. On the other hand, for the issues current EU legislation raises, the VFAA had to be not overly long for these rules to be covered by it. The directive AMLD V literally requires AMLD IV to be amended as follows for obliging EU member states to implement it nationally:

in article 47, paragraph 1 is replaced by the following:

'1154' ' 1. member states shall ensure that providers of exchange services between virtual currencies and fiat currencies, and custodian wallet providers, are registered, that currency exchange and cheque cashing offices, and trust or' company service providers are licensed or registered, and that providers of gambling services are regulated.

(30) article 48 is amended as follows: (a) the following paragraph is inserted:

1a. in order to facilitate and promote effective cooperation, and in particular the exchange of information, member states shall communicate to the commission the list of competent authorities of the obliged entities listed in article 2(1), including their contact details. member states shall ensure that the information provided to the commission remains updated. '1162' '

Since the requirement for VASPs to obtain a licence in Malta was already established to be explicitly stated in the VFAA, it is interesting to return to the quantitative data for the VFAA to determine the particularities of the registration process. The keyword results for the usage of 'VFA' and 'virtual financial asset' in the VFAA suggests that these two terms are applied interchangeably and in comparable frequency. In its application of these expressions, the VFAA sets up guidelines for 'holder[s]' to obtain their VFAA 'licen[ce]', as well as determining the way these 'VFAs' or so called 'assets' are handled. There, the negative definition of 'asset' as something new, but not necessarily decentralised as known from Bitcoin or Ethereum, proves to be utile because a 'competent authority' is obliged by the VFAA to collect fees and authorise the licences. By the same token it refers to the MDIAA, which establishes the competent authority for combined oversight, which is also in the scope of the more recent EU AMLC directive.

In AMLC, it is emphasised that '56' ' ' 1 (6) the use of virtual currencies presents new risks and challenges from the perspective of combating money laundering. Member states should ensure that

those risks are addressed appropriately. '57' Yet, no clear measures are set out to address this new level of complexity. This directive went into force in 2018 even after the Parliament of Malta brought the MDIAA into force, which implemented an authority to

'374' regulate the innovative technology products, operations or activities relating to any matter  
'374' – '1094' the authority is entitled to administer or enforce and in applying a risk-based approach in line with the governing principles:  
(a) establish, where appropriate or necessary, by means of binding instruments, more extensive, reduced or amended requirements '1098' – '2142' in assessing an application for an innovative technology authorisation, where it considers it justified on the basis of a risk-based examination of the applicant '2144'

Thus, the terms that had been used in the VFSA did not occur in the others with comparable frequency as a result of the way Malta structured the DLT framework. While the VFSA justifies the control and enforcement of financial accountability of VFA agents with practices within the remit of the FATF's RBA the, MDIAA establish the outline and measures to enforce the rules licence holders have to follow to secure technology for the VAs that utilises a different RBA. An apt visualisation of the relationship between the individual Maltese acts is given by subfigure 5.1b.

The two ends of the chain, which are controlled by MDIAA and VFSA, are highlighted as 'client' and 'asset', but these two words are printed somewhat smaller in comparison to 'technolog[ies]' and 'innov[ation]'. In reference to the hypotheses of this research, it is likely that technology and innovation are not just indicators for the applicability of the VFA laws, but conditions for the framework's application. Moreover, the MDIAA states as one of its first points that

'70' innovative technology arrangements means the intrinsic elements including computer protocols and other architectures which are used in the context of DLT, smart contracts and related applications  
'73'

for which the 'author[ity]' makes 'arrang[ements]'. The authority itself is among the most frequently used terms throughout the Maltese documents, which is evidence that the Maltese governance of VA issuance is much wider than just the financial application, but the financial services being embedded in a broad licensing scheme for innovative technology regardless of their utilisation. It is reasonable to control the 'requir[ements]' that bring 'person[s]' with professional exposure to VAs as 'subject[s]' under the scope of the DLT framework, however, the MDIA extends the powers of the MFSA by granting the MFSA a chair at the MDIA. In this regard it should be noted that the MDIA also has the power to reduce the regulatory burden for individual licence holders regarding the underlying technology, which still can have implications for the financial applications built on top of for example distributed ledgers.

Nonetheless, the VFSA, which is enforced by the MFSA that also is represented in the governance of the MDIA, makes use of various exemption that came into force with the act. This resulted in 'exempt' being featured as one of the more frequent keywords in the VFSA particularly. This word occurs 22 times, which is three and seven times more frequent than in the ITASA and MDIAA respectively. While its use in the MDIAA could be explained easily, since a state authority must be exempt from

taxes, for example, it is concerning that in the VFSA statistically every second person requiring a license is exempt from it through levy granted to the MFSA. As a result, the text mining and the keyword analysis suggest Malta may formally comply with EU law, but granted extensive freedoms from the obligations it introduced for offerings that took place prior, shortly after, or during the implementation. Nevertheless, the first sentence of article three of the VFSA, where exemptions are made also reinforces a general obligation to 'draw up and register a whitepaper' as qualitatively shown below.

'101' ' 3. the provisions of article 3 of the act shall not apply to any exemption from drawing up and registering a whitepaper. person who has commenced an offering in terms of article 3 prior to two weeks of the coming into force of the act: provided that the exemption laid down in this regulation shall only apply to those persons whose offering will continue until not later than the 31 january 2019: provided further that persons whose offering will continue after the 31st january 2019, shall, by not later than the said date, draw up a whitepaper and register it with the competent authority in terms of article 3 of the act. '111' '

In comparison, the word cloud of the EU legislation in subfigure 5.1a extensively includes words that imply safeguards, such as 'oblig[e]', 'direct', or 'inform'. Among those very frequent terms are also words that are not as prominent, but still recognisably often used. 'Terrorist', 'launder', and 'money' are to be expected in AML/CTF legislation, but were only used frequently in the European documents. Nevertheless, the results from the EU legislation are more diverse and ambiguous than what was retrieved from Maltese legislation. For example, the term 'direct' is more important in the word cloud than 'person' or 'inform'.

Information, arguably, is the most important element of Maltese legislation. Not only as the EU requires the establishment of a centralised register, but also for future obligations for consumer protection arising out of the MiCA proposal implements the ITASA clear definitions of DLT as innovative technology arrangement for VFA services.

"938" " innovative technology arrangements for the purposes of this act: DLT which ordinarily, but not necessarily: distributed, decentralized, shared permissioned or permissionless protected with cryptography; and is auditable; "951" "

Auditability as a result does not only refer to financial traceability of funds, but also to the safeguarding of consumer information as Zellweger-Gutknecht (2019, p. 86) referred to VAs being 'value data'. Now, the link to the second hypothesis is established through the results from the QDA of the ITASA because this act clarifies the elements of competitiveness suspected in the legislation. This specific act of the DLT framework requires for VASPs to safeguard customer data that is utilised with the information technology for implementing VAs because after all VA are value data of financial means held by individuals or entities. This 'resident agent', who must practise law is required to

"738" " act as the judicial representative of the innovative technology authorisation holder for judicial proceedings in Malta, and the channel of communication between the holder and the authority "748"

More broadly, the Maltese DLT framework showed elements of monetising the compliance with EU directives by implementing a middle man, who supervises and facilitates the 'double movement' (Höpner & Schäfer, 2010, pp. 5–9) of authorisation and exemption. As in the ITASA the VASPs are required to ensure not only the safety of funds, but the resilience of their innovative technology, if they wish to use for example DLT. This means that

'486' ' once registered, a service provider shall be granted a certificate of registration which shall state its identification and shall list the class or classes of services which the applicant has been registered to provide '490' ' '570' ' [with] due regard to the rights, interests and needs of each and all its customers in a way that is fair, clear and not misleading [perform the services that are authorised and licenced] '572' '

Yet, the competitiveness of Malta through its implementation of ITASA must be contextualised with the findings for the VFSA and the MDIAA. Above, concerns over the extent of the exemptions included in the VFSA were raised. Through close examination it was clarified that these exemptions are primarily made for EU authorities, such as the EBA, however, investment firms that already have a licence were also exempt. Additionally, a third relief is granted to corporate services within a conglomerate. There, corporate structures enable multi-national corporations to circumvent licensing as long as the Maltese subsidiaries '147' ' provide VFA services exclusively for their parent companies '149' '. In turn, the MFSA is empowered to collect fees and fines should any one subject infringe against the ITASA. As a result, it is likely that a Singaporean VA service provider, which outsourced the handling of its VA to Malta, but still offers its services to third parties in Singapore, could escape licencing at least in Malta. This is possible if it is a direct subsidiary of the Singapore VASP and only the Singaporean parent redirects the functionalities to individuals or the market because article 4. (e) of the VFSA states exempts 'persons who provide VFA services exclusively for their parent companies, for their subsidiaries or for other subsidiaries of their parent undertakings'. Although, in theory, this could apply, the MDIA is equipped with powers to also enhance and increase regulation of individual companies under the MDIAA. This makes further research on concrete instances of such behaviour necessary.

In regard to the second hypothesis, it can be asserted that the EC proposal for the MiCA directive also favours the centralisation of regulatory oversight. MiCA envisions the EBA to collect fees from, enforce regulation, and issue licences for VASPs, which is very similar to the relationship between the MFSA and the MDIA when VAs and VASPs are concerned. To answer on the competitiveness and similarities between MiCA and the Maltese DLT framework we must depart from the overall frequencies of the keywords in MiCA. In table 5.3, three keywords are worth to be revised for the QDA results. Namely, *whitepaper*, *enable* and *enforce* because they represent the connection between 'innov[ation]' in 'regul[ation]' with 'requir[ements]' of VASPs the Maltese framework grounds its competitiveness in

The fact that these keywords did not occur as frequent as most of the others, but still are included in the table, made them interesting to discuss. In the review of the literature theory on small states it was highlighted that small states have to attract foreign capital and are interested in domestic

Table 5.3: Keyword frequency EU Legislation

| Keywords         | ALMD V | MiCA | MiCA Annexes | AMLC |
|------------------|--------|------|--------------|------|
| enable           | 8      | 21   | 8            | 3    |
| virtual          | 19     | 2    | 0            | 1    |
| crypto           | 1      | 1226 | 96           | 0    |
| DLT              | 0      | 43   | 0            | 0    |
| whitepaper       | 0      | 2    | 3            | 0    |
| licenc/se        | 1      | 0    | 0            | 0    |
| service provider | 1      | 334  | 24           | 0    |
| register         | 84     | 40   | 6            | 0    |
| agen/t/ts/cy     | 2      | 23   | 0            | 0    |
| enforce          | 4      | 11   | 1            | 1    |
| holder           | 7      | 126  | 37           | 2    |
| fine             | 11     | 81   | 1            | 3    |
| crime            | 28     | 31   | 2            | 83   |
| framework        | 17     | 67   | 0            | 32   |

exports, such as financial services or tourism. Nevertheless, capital attraction and participation in new economies is an objective of large states or governmental structures as well. The literature just takes it for granted that institutions and governments of the EU or other large states enact attractive policies.

The position and visibility of large political actors in the international system of states makes these political actors less prone to competitive behaviour in niche markets and emerging sectors, because these endeavours also carry some risk. According to Baldacchino (2018), the literature on small states overstates the fact that these jurisdictions are faced with policy risks more frequently, but still, the ability to handle risk in different areas is a competitive ability in international policy making. Therefore, it appears that the EU has included passages that show similarities to the DLT framework in Malta. For example, the MiCA proposal highlights:

'201' ' while a few member states have already implemented a bespoke regime, '198' ' today, crypto-asset issuers and service providers cannot fully reap the benefits of the internal market, due to a lack of both legal certainty about the regulatory treatment of crypto-assets as well as the absence of a dedicated and coherent regulatory and supervisory regime '200' ' '205' ' to cater specifically for crypto-assets and crypto-asset service providers '201' ' at EU level.

Thus, it acknowledges the competitiveness of the Maltese framework and implements the EBA as technology informed VA oversight authority that is inspired by the functions of the MDIA, but wields powers comparable to the MFSA on EU level. The example of the following provision supports this assertion by stating that '6037' ' the EBA shall charge fees '5854' ' [or] impos[e] a fine '5854' ' to the issuers of significant asset-referenced tokens and the issuers of significant e-money tokens in accordance with this regulation '6038' '. More importantly, the EU adopts the whitepaper requirement, for which Malta previously was criticised by Chiu (2021). The whitepaper requirement has proven, however, to be an especially competitive characteristic of Malta to attract innovative technology service providers. While the MiCA proposal requires in the '168' ' whitepaper applicable to issuers of e-money tokens '169' ' '186' ' information about the project [with] details of all natural or legal persons [, and the] design [of such] and crypto-asset service '188' ', these are elements that already were included in the ITASA and VFSA in 2018.

In the EC proposal for the MiCA directive, even the individual VA licence classes were modelled after the VFAA in Malta. Both legislations included them in their annexes, while the EU proposal did not include the VFA agent as a licence holder. Thus, a total of three classes are applicable in the future EU directive. The licence classes of the VFAA and those found in MiCA are presented below for close comparison.

'229' ' MiCA class 1 crypto-asset service provider authorised reception transmission [execution] of orders [and advise] on behalf of third parties; and/or [for] placing of crypto-assets.

MiCA class 2 crypto-asset service provider authorised for any crypto-asset services under class 1 and custody of crypto-assets

MiCA class 3 crypto-asset service provider authorised for any crypto-asset services under class 2 and exchange of crypto-assets for fiat '244' '

'320' ' VFAA class 1 licence holders authorised to receive and transmit orders and/ or provide investment advice in relation placing of virtual financial assets [but] not to hold or control clients assets or money.

VFAA class 2 licence holders authorised to provide any [including custodial] VFA service but not to operate a VFA exchange or deal for their own account.

VFAA class 3 licence holders authorised to provide any [including custodial] VFA service but not to operate a VFA exchange.

VFAA class 4 licence holders authorised to provide any [including custodial] VFA service.'339' '

As a result, the Maltese VFA did not only provide a policy that is also suitable for large governmental structures, but additionally catered in more detail to the needs arising from new business models on the basis of VAs. Still, its monetisation of facilitating the certification through a fourth class of licence holders has implications for the protection of the consumer. Since VFA agents; and if the technology implementation of the VASPs requires it, also 'resident agents'; represent the VASPs in Malta. Thus, the regulation to safeguard society from ML or TF maybe in place, but middle men that, at inception, VAs set out to cut out to empower the individual, are once more in between the individual and finance. The MiCA may have tried to derisk the financial application of DLT, however, the implementation of oversight similar to the VFA agents in Malta is centred rather around the industry than the user. By virtue of the consolidation of interactions between licensing authorities and subjects of regulation, the individual that formerly was empowered by the freedom of the technology is now disadvantaged because it is detached from new offerings within the jurisdiction of the EBA. Although the intentions of the policy makers to protect society from the risks of the technology and safeguard consumer protection, it is now faced with increasingly decentralised solutions becoming attractive for users and businesses, such as protocols on top of Ethereum to avoid jurisdiction of any regulator altogether. Therefore, the implementation of VFA agents or similar institution must guaranteed to not reduce accountability of the VASP against its users. In this realm, the EC proposal for an EU MiCA proposal still wields power to improve.

In sum, by the future requirement of VASPs '1346' ' to ensure consumer protection, [through] estab-



lish[ing] a non-discriminatory commercial policy. '1348' ' a regime of the financialisation of the internet will likely take precedence in spite of the compliance and competitiveness proven for the case of Malta. After the two hypotheses could be substantiated and accepted as proven to be true, the research's weaknesses and limitations are discussed and framed into the context of areas where more research is needed.

### 5.3 Implications for further Research

Over the course of this section this research is evaluated regarding its limitations and scope for future research and in connection with the existing literature. The section departs from the findings discussed previously and sets out improvements that, in retrospect, could have been beneficial to the overall research process, but also enhance the results. At the end of this section, further research based on the current findings is mentioned and the overall positioning of this work in the discourse on VA regulation and small state studies is undertaken.

Both hypotheses could not be rejected after thorough testing. While Malta adapted an RBA as recommended by the FATF (2019) and complied with EU law, elements of the VFA were also traced in the EC proposal for the MiCA directive. Yet, the differences in consumer protection between the DLT framework and MiCA directive proposal only yield tentative results. In this regard, further research is necessary to update the theory of Tsukerman (2015, pp. 1152–1153) on the recent developments in the regulatory landscape, by taking into account that VA today has to account for issuance by corporate entities and applications built on top of existing blockchains, such as yield protocols or stablecoins. More broadly, the categories of *societal safeguards legislation* and *consumer protection centred*, which were opened in this particular piece of the discourse, only partially were tested in the hypotheses. This means, the research found Malta formally having established sufficient safeguards and protects the consumers to a certain extent. Nevertheless, the practical application of these laws was not tested and tests for a third hypothesis, which tests for competitive consumer protection was not feasible.

Additionally, it can provisionally be accepted that both Malta and the EU are *prudently enthusiastic* about the emergence of a new financial sector. Their provision of FATF standard implementing laws in combination with competitive enabling statutes in both legislations prepares these jurisdictions for scenarios of risk and uncertainty, however, Malta was found to be more eager to take on risks that the EU addresses through contingency clauses in its MiCA proposal. Still, it remains to be researched who benefits from Maltese competitiveness as it pertains to the societal impact in Malta, as well as for the VASPs.

This research could have included some aspects of consumer protection, however, it must be made clear that in the given time and with available computational resources the eight selected documents could only undergo a limited examination and QDA. Therefore, the first step of the QDA was undertaken and relevant passages retrieved, as well as interpreted validly. Advanced QDA contrasts the applied approach to manipulate the codings with mixed methods to gain deeper insight in the properties of the data. If this technique would be applied, another cycle of QDA could have been undertaken to retrieve what was not under the scope of first phase codings. The result of such research could attribute for more diverse categories and cases that in this particular research had to be distinct and concise.

In this regard, some weaknesses of the applied methods' are rooted in the highly formalised construction process of idealtypes, or categories that were deconstructed by the analysis of the QDA results. It is a limitation to proceed in this way because already Weber, who asserted that social action can be researched through such a method, also remarked that these categories often mix (2014, pp. 3–5), and can be used interchangeably. Moreover, these categories most of the time are not available in their ideal and purest form, but occur interdependently as it was shown for the node system of — *technology adaption, subjects of law, and safeguards*.

While the QDA is the centrepiece of this research, further research also would benefit from improved quantitative methods that facilitated the qualitative phase of this particular research. For instance, it was impossible to implement automated algorithms that detach the content of the documents from their general outline, like headings or headers and footers, but retain a general structure of the document for QDA. This limitation influenced the generation of the word clouds, since they included words that represent the given structure. In one case, this has led to the term 'cap' to be included in subfigure 5.1b. Other examples are 'european union' or 'articl' in table 5.1. As a result, the demand of Bowen to *decontextualise the documents* (2010, p. 62) was not entirely fulfilled .

Additionally, the methods of NLP must be improved in future research, which means to use lemmatisation instead of stemming, automation of the process from data input to QDA to eliminate the possibility for human interpretative error and shorten the length of a code. Therefore, research at the intersection of socio-economics and law demands solutions that *regulation technology* provides, but yet have to be implemented and receive widespread attention. Another two major limitations were posed by the process of the keyword generation that would have benefited a more sound and grounded process of construction because the research, as it was conducted, is in tension within two realms of social action. It has applied keywords in *particularity*, yet, aims to make *universal* statements on the case of Malta (Parsons, 1968, p. 550). Thus, a second cycle, as mentioned earlier, would likely improve the reliability, but also increase the likelihood of more subjectivist coding, which in turn harms the research's alignment with *critical rationalism*.

Since the research had clear theoretically grounded hypotheses that were tested, uncertainties arising with false positive results for the keyword *fine* were not producing fallacies in the final QDA. From this perspective, the research is worth to be improved methodologically, but did not produce results that are unreliable and generally invalid. It is unfortunate that the corpora were not large enough to calculate correlations between individual terms, but points the research in small state studies and VA regulation to the possibility of a larger and interdisciplinary project. A standardising comparative study with large and small states could be conducted globally to examine the bandwidth of policy stances regarding VA.

Generally, the research on VA is methodologically heterogeneous and diverse. Small states and island studies tend to apply stringent methods that are explicitly stated (L. P. Briguglio, 2010; Veenendaal, 2019). Research in OFCs and FATF recommendations have shown tendencies to prefer standardisation and statistical methods over ethnographic, anecdotal or judicial evidence (Allred et al., 2017; Garcia-Bernardo et al., 2017). As a result, studies on VA regulation would benefit from more contextualised approach that take into account their interdisciplinary subject. Although a high level of

complexity is inherent to social science research in areas of DLT or computer science, future studies should implement the promising results of simplification achieved by the actor-network-theory (Latour, 2017). In this field, DeNardis (2015) and Callon (1999) have proven to tackle issues that are relevant for researching technology regulation, but also small island states.

The study undertaken in this dissertation could not account for overly technical issues, as the focus was on a case study for a small island state that adopted technology and financial services attracting regulation. Particularly, the findings by Buttigieg et al. (2019), which heavily influenced the structure of this research, are worthwhile to be contextualised in an actor-network-approach because Malta as a small country has become a hub for an also comparatively small sector. Especially in the light of the findings by Veenendaal (2019) seems a survey of personal connections in the sector worthwhile.

At this point, it is necessary to critically evaluate possible bias that were included in the research that was undertaken. While, certainly, the study was technological open and took a liberal stance in the construction of the nodes and keywords, neither a regulation refusing nor overtly technocratic approach influenced the coding. It must be emphasised that the literature has provided this research with insights into improvements DLT can yield for unbanked populations and small island states, but also shown neoliberal tendencies inherent in the financial system and colonial logic dominant in the history, utilisation and re-emergence of OFCs. Furthermore, the subject was researched without the involvement of financial incentive or an affinity to confirm the hypotheses. The confirmation bias was also excluded by guiding the QDA through quantitative measures for the research to avoid selecting only those passages that support the hypotheses. As Bowen (2009, p. 32) has addressed the possibility of selection bias, all directives and acts based on applicable law and findings of previous work.

Finally, all methods were applied stringently and coherently to avoid results that are arbitrary and inconsistent. The case of Malta still needs to be embedded in the larger frame of small island states and jurisdictions that have adopted an explicit VA regulatory regime as well. Nevertheless, the study could shed light on the relationship between Malta and the EU in respect to VA regulation within a RBA, only its wider policy issues of consumer protection for VA holders and AML/CTF enforcement beyond VAs could not be addressed.



# 6 Conclusions

This research set out to challenge the 'hegemonic approach' to VA asset regulation in particular, but also its overtly connection to the 'deficit discourse' (Philpot *et al.* (2015) qtd. in Baldacchino, 2018, p. 220) prevailing in small state studies. Indeed, the research grounded its arguments in the transparent nature of DLT by clarifying some of their architectural particularities, such as decentralisation, pseudonymity, and open source. It was determined that these assets like small island states, which were identified as OFCs, are means or routes funds take between global financial centres. Yet, historically 'small places' (Roberts, 1997) have carried the burden of suspicion against their practices. Without consideration, the fact remained that these offerings only satisfied the demand of large states, for Eurodollars or derivatives. These allegations culminated in the label of 'tax haven', which was translated by Marian into digitalised finance and virtual assets by asserting reference to Gruber (2013) that small places now are 'Blockchain Havens' (2019, pp. 547).

Five years after the inception of Bitcoin, Malta was mentioned in the literature on VA regulation for the first time (Gruber, 2013). Already then it was referred to as supporting the 'new virtual havens for money laundering and tax evasion' because one single hedge fund in Malta which financed Bitcoin projects refused to accept US customers on basis of FATCA (Gruber, 2013, pp. 154–201). Based on the claim by Gruber in 2013, Marian implicitly asserted in 2019 that Malta had not changed. It was framed as jurisdiction, which continued to offer financial services alike those it used to offer when Malta still was a 'tax haven'. Thus, Malta was presented as entering the market of VA services to reclaim its status as OFCs. The narrative was picked up by an entire section of scholarly literature to support the claim of alarming un(der) regulation everywhere other than in the US. Eventually, the US standard of financial regulation also became the 'big [measuring] stick' (Vleck, 2017, pp. 97) for governments with their answers on the emergence of VA throughout the world.

Malta, among Switzerland, was named to be such a place (Marian, 2019), however, shortly before the article of Marian was published Malta itself proclaimed to have become the *blockchain island*. Since this research avoided overstating small states' vulnerabilities and risks because it would subsume all achievements, regulatory, economic, or otherwise under the concept of resilience (Baldacchino, 2018; L. Briguglio & Kisanga, 2004), it asked whether the DLT framework behind the *blockchain island* really is evidence for Malta's competitiveness. In particular, it was tested for the characteristics of the Maltese VA regulation that made it competitive and, perhaps, a blueprint for large scale approaches to regulation.

Particularly challenging was that Malta recently was included on the greylist for jurisdictions under increased monitoring by the FATF (2021). With the lingering concern of Malta discouraging enforcement and regulation for financial services of all sorts, attention had to be given to the literature opposed to VA 'enabling regulation' (Chiu, 2021). The research discovered that small states, such as Liechtenstein, also had adopted VA regulation to attract capital from abroad, but did not receive any

attention by the scholarly literature. Furthermore, Liechtenstein was known to have enabled privacy preserving management of wealth for more than a century (Glos, 1984). In the MER by Moneyval (2014), the structures to facilitate such detachment of beneficial owner and asset were criticised. A lack of transparency and unsuccessful enforcement are properties shared by Malta and Liechtenstein.

Liechtenstein neighbours with Switzerland, which had legislated VASP welcoming laws before Liechtenstein did. While Switzerland is not particularly a small state, which was shown by its ability to detach the perception of its VA from national association and refer to it as *crypto valley* (Marian, 2019), it was mentioned in connection with the VFA regime in Malta (Chiu, 2021). Now, Liechtenstein and Switzerland differ from Malta in one major aspect of supranational policy making because they are not EU member states. In contrast, Malta has to abide by EU legislation and currently faces an EU infringement process for its non-communication of the implementation status for AMLD V. This directive was identified as central piece of EU AML/ CTF legislation by Buttigieg et al. (2019). This research agrees with this stance and adds that it also introduced VA regulation for the first time on EU level. Therefore, it was surprising that Malta seemed not to comply with it because in the same year AMLD V went into force, the DLT framework was enacted.

To address the uncertainty over Malta's compliance with EU legislation on AML/ CTF, this research developed a mixed method case study. Under the ambit of clearly defining what Malta has to comply with in respect of VA within the AML regime, two hypotheses divided the overall research question in a consecutively testable analysis. First, the research set out to examine what Malta specifically had to comply with and analyse the legislation of the DLT framework for passages that implied compliance. Second, regulatory competitiveness, apart from compliance, was also measured by economic feasibility (Baldacchino, 2018, 2019). Since Malta is a member state of the EU, but also peripheral, the second hypothesis grounded in the concept of the *close periphery* that in the literature review, was observed to be implicitly constructed by the literature on the Eurodollar markets (Cobb, 1998; Hampton, 1996; Roberts, 1997). Thus, a more recent proposal by the EC was taken as a second condition for Malta's competitiveness in VA regulation.

In the MiCA proposal, the EC expresses the need to enable VASPs the benefit of the common market and to safeguard the financial system from the potential risks associated with VAs (European Commission, 2020). There, the overall stance taken by the EC and the wording used to propose the directive led to the suspicion that Malta potentially could have acted as a role model, which aligned with its financial services experience and its membership to the EU. As a result, a full sample was taken, which consisted of EU AML/ CTF legislation in force at the time the DLT framework was legislated in Malta and the Maltese acts themselves. Eight documents in total mentioned or addressed VAs. Given the volume and limitations of the research, a case study approach was taken for documents' examination in light of the hypotheses. It embedded a QDA of AMLD IV, AMLD V, AMLC, and MiCA into the document analysis of MDIAA, ITASA, as well as VFAA.

The study proceeded in three stages to increase validity and to discern opponents of VA enabling legislation. In other words, the QDA of the legislation on EU and Malta national level was triangulated. More precisely, quantitative text mining delivered a first impression of the structure documents. Hence, AMLD V was determined to amend AMLD IV for the purposes of VA regulation and AMLC established to only peripherally concern VA. For the Maltese acts, a specialisation

of the different acts on regulatory subfields was identified. While MDIAA grounded the MDIA centralised oversight on the licensing of innovative technology arrangements and services, the VFAA focused on the monetisation of the licensing process and retained control over financial applications of VFA issuance within the realm of the MFSA. Meanwhile, consumer rights and information safeguarding of the VAs as 'value data' (Zellweger-Gutknecht, 2019, p. 86) was undertaken by the ITASA.

Under support of a keyword query, which formed the intermediary phase of the research, the QDA ascertained that in the realm of VAs, Malta complied with EU laws by virtue of its DLT framework because it registered VASPs, required monitoring and set rules to ensure the traceability of the beneficial owner through 'audit trails' in the VFAA. Thus, the first hypothesis was accepted. Additionally, the research also found the second hypothesis to hold true, as the MiCA proposal showed high degrees of similarity between its licence classes with the VFAA. In sum, the research question was answered by referring to the innovative technology arrangements Malta has ensured to be enabling and competitively labelled as DLT framework, but negatively defining the financial applications on top of DLT to be technology open. Even the concerns over the Maltese adoption of the VA industry specific issuance of a whitepaper as a requirement for VASPs and VFA issuer were dispersed by showing the eagerness of the EU to implement this concept into MiCA. After all, the MiCA directive is proposed to bring the industry under oversight of the EBA as centralised authority with the same licensing fee and enforcement powers set out for the MDIA in Malta.

Despite the overall positive findings that emphasised Malta's adherence to the RBA, envisioned by the FATF, further research is necessary. For studies based on this dissertation, theory development of the categories for regulation set out by Tsukerman (2015, p. 1152) have tentatively shown to be worthwhile for being pursued. Eventually, this could deepen the understanding and extent of small island states' competitiveness in Malta and elsewhere with regards not just to societal safeguards or macro-economic policy, but also for the individual using a new kind of financial asset.

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## A.1 Keyword Frequency Table for Malta Legislation

Table A.1: Keyword table and their frequency in Malta legislation

| Keywords                | ITAS Act | MDIA Act | VFA Act |
|-------------------------|----------|----------|---------|
| virtual financial asset | 2        | 0        | 30      |
| VFA                     | 2        | 0        | 27      |
| whitepaper              | 1        | 0        | 6       |
| licenc/se               | 0        | 0        | 40      |
| holder                  | 50       | 28       | 15      |
| fine                    | 9        | 36       | 4       |
| crime                   | 1        | 8        | 0       |
| enforce                 | 2        | 87       | 1       |
| DLT                     | 6        | 2        | 0       |
| service provider        | 21       | 4        | 0       |
| register                | 62       | 10       | 9       |
| crypto                  | 1        | 2        | 1       |
| monitor                 | 0        | 5        | 1       |
| report                  | 0        | 9        | 5       |
| record                  | 4        | 10       | 11      |
| review                  | 21       | 20       | 5       |
| exempt                  | 3        | 7        | 22      |
| duty/ies                | 14       | 13       | 16      |
| responisble             | 3        | 24       | 5       |
| oblige                  | 6        | 12       | 6       |
| audit                   | 7        | 11       | 7       |
| agen/t/s/cy             | 39       | 1        | 2       |





## A.4 General Keyword Occurrences Malta Legislation

Table A.3: General Keyword Occurrences ITAS Act 1/2

|    | register | audit | agen/t/ts/cy | duty | review | service provider | holder | fine |
|----|----------|-------|--------------|------|--------|------------------|--------|------|
| 1  | 19       | 52    | 48           | 156  | 75     | 19               | 228    | 32   |
| 2  | 176      | 74    | 49           | 584  | 134    | 62               | 281    | 117  |
| 3  | 177      | 75    | 70           | 659  | 217    | 146              | 283    | 893  |
| 4  | 183      | 79    | 678          | 851  | 227    | 459              | 290    | 896  |
| 5  | 187      | 296   | 681          | 903  | 231    | 468              | 522    | 994  |
| 6  | 190      | 297   | 701          | 904  | 265    | 486              | 607    | 997  |
| 7  | 296      | 300   | 710          | 922  | 296    | 491              | 618    | 1076 |
| 8  | 339      | 301   | 714          | 1033 | 302    | 511              | 637    | 1161 |
| 9  | 342      | 302   | 723          | 1034 | 326    | 518              | 660    | 1180 |
| 10 | 416      | 303   | 727          | 1059 | 334    | 519              | 700    |      |
| 11 | 432      | 327   | 730          | 1062 | 336    | 542              | 702    |      |
| 12 | 443      | 336   | 736          | 1079 | 470    | 545              | 735    |      |
| 13 | 455      | 416   | 737          | 1107 | 471    | 546              | 739    |      |
| 14 | 459      | 419   | 738          | 1108 | 478    | 548              | 741    |      |
| 15 | 460      | 432   | 752          |      | 481    | 552              | 747    |      |
| 16 | 461      | 598   | 756          |      | 623    | 553              | 755    |      |
| 17 | 463      | 619   | 760          |      | 626    | 554              | 757    |      |
| 18 | 464      | 629   | 761          |      | 629    | 561              | 767    |      |
| 19 | 467      | 673   | 764          |      | 632    | 589              | 770    |      |
| 20 | 469      | 674   | 770          |      | 673    | 637              | 772    |      |
| 21 | 471      | 917   | 771          |      | 975    | 778              | 788    |      |
| 22 | 475      | 919   | 798          |      |        |                  | 790    |      |
| 23 | 486      | 921   | 802          |      |        |                  | 805    |      |
| 24 | 487      | 951   | 807          |      |        |                  | 810    |      |
| 25 | 489      | 975   | 812          |      |        |                  | 815    |      |
| 26 | 491      | 977   | 816          |      |        |                  | 818    |      |
| 27 | 492      | 985   | 824          |      |        |                  | 836    |      |
| 28 | 497      |       | 826          |      |        |                  | 837    |      |
| 29 | 507      |       | 830          |      |        |                  | 842    |      |
| 30 | 510      |       | 833          |      |        |                  | 848    |      |
| 31 | 515      |       | 835          |      |        |                  | 849    |      |
| 32 | 517      |       | 843          |      |        |                  | 857    |      |
| 33 | 532      |       | 847          |      |        |                  | 863    |      |
| 34 | 541      |       | 849          |      |        |                  | 898    |      |
| 35 | 544      |       | 850          |      |        |                  | 916    |      |
| 36 | 546      |       | 853          |      |        |                  | 997    |      |
| 37 | 550      |       | 861          |      |        |                  | 1021   |      |
| 38 | 552      |       | 901          |      |        |                  | 1039   |      |
| 39 | 554      |       | 906          |      |        |                  | 1050   |      |
| 40 | 588      |       |              |      |        |                  | 1053   |      |
| 41 | 609      |       |              |      |        |                  | 1111   |      |
| 42 | 619      |       |              |      |        |                  | 1112   |      |
| 43 | 620      |       |              |      |        |                  | 1130   |      |
| 44 | 636      |       |              |      |        |                  | 1131   |      |
| 45 | 638      |       |              |      |        |                  | 1139   |      |
| 46 | 640      |       |              |      |        |                  | 1144   |      |
| 47 | 655      |       |              |      |        |                  | 1146   |      |
| 48 | 674      |       |              |      |        |                  | 1151   |      |
| 49 | 675      |       |              |      |        |                  | 1156   |      |
| 50 | 680      |       |              |      |        |                  | 1180   |      |
| 51 | 753      |       |              |      |        |                  |        |      |
| 52 | 777      |       |              |      |        |                  |        |      |
| 53 | 784      |       |              |      |        |                  |        |      |
| 54 | 797      |       |              |      |        |                  |        |      |
| 55 | 821      |       |              |      |        |                  |        |      |
| 56 | 831      |       |              |      |        |                  |        |      |
| 57 | 876      |       |              |      |        |                  |        |      |
| 58 | 882      |       |              |      |        |                  |        |      |
| 59 | 892      |       |              |      |        |                  |        |      |
| 60 | 985      |       |              |      |        |                  |        |      |
| 61 | 986      |       |              |      |        |                  |        |      |
| 62 | 1036     |       |              |      |        |                  |        |      |

Table A.4: General Keyword Occurrences ITAS Act 2/2

|   | DLT  | crime | enforce | virtual financial asset | VFA | whitepaper | crypto | record | exempt | responsib | oblige |
|---|------|-------|---------|-------------------------|-----|------------|--------|--------|--------|-----------|--------|
| 1 | 408  | 685   | 99      | 49                      | 49  | 1035       | 950    | 440    | 142    | 67        | 375    |
| 2 | 413  |       | 1005    | 906                     | 906 |            |        | 821    | 145    | 764       | 581    |
| 3 | 718  |       |         |                         |     |            |        | 830    | 924    | 827       | 858    |
| 4 | 941  |       |         |                         |     |            |        | 1036   |        |           | 917    |
| 5 | 953  |       |         |                         |     |            |        |        |        |           | 1030   |
| 6 | 1105 |       |         |                         |     |            |        |        |        |           | 1109   |

Table A.5: General Keyword Occurrences MDIA Act 1/2

|    | duty | responsible | enforce | oblige | audit | review | holder | fine |
|----|------|-------------|---------|--------|-------|--------|--------|------|
| 1  | 300  | 88          | 25      | 399    | 211   | 26     | 105    | 50   |
| 2  | 308  | 205         | 78      | 407    | 248   | 118    | 106    | 74   |
| 3  | 311  | 517         | 104     | 482    | 781   | 277    | 122    | 553  |
| 4  | 349  | 525         | 112     | 865    | 785   | 361    | 491    | 642  |
| 5  | 506  | 664         | 114     | 1226   | 786   | 424    | 862    | 1099 |
| 6  | 661  | 681         | 134     | 1282   | 790   | 436    | 976    | 1345 |
| 7  | 1167 | 692         | 198     | 1523   | 795   | 1465   | 981    | 1346 |
| 8  | 1649 | 699         | 251     | 1547   | 796   | 1467   | 1001   | 1363 |
| 9  | 1661 | 705         | 364     | 1943   | 1137  | 1470   | 1006   | 1364 |
| 10 | 1964 | 735         | 373     | 2052   | 2095  | 1543   | 1166   | 1378 |
| 11 | 1965 | 757         | 377     | 2220   | 2328  | 1717   | 1176   | 1409 |
| 12 | 2202 | 763         | 383     | 2230   |       | 1718   | 1180   | 1412 |
| 13 | 2504 | 838         | 392     |        |       | 1719   | 1188   | 1413 |
| 14 |      | 843         | 398     |        |       | 1725   | 1215   | 1416 |
| 15 |      | 850         | 402     |        |       | 2095   | 1218   | 1431 |
| 16 |      | 983         | 406     |        |       | 2116   | 1233   | 1635 |
| 17 |      | 1272        | 466     |        |       | 2123   | 1235   | 1637 |
| 18 |      | 1707        | 474     |        |       | 2239   | 1239   | 1664 |
| 19 |      | 2082        | 479     |        |       | 2305   | 1249   | 1668 |
| 20 |      | 2096        | 501     |        |       | 2397   | 1264   | 1669 |
| 21 |      | 2098        | 514     |        |       |        | 1299   | 1681 |
| 22 |      | 2423        | 679     |        |       |        | 1316   | 1685 |
| 23 |      | 2450        | 688     |        |       |        | 1439   | 1688 |
| 24 |      | 2451        | 696     |        |       |        | 1542   | 1693 |
| 25 |      |             | 751     |        |       |        | 1545   | 1695 |
| 26 |      |             | 888     |        |       |        | 2240   | 1711 |
| 27 |      |             | 892     |        |       |        | 2343   | 1734 |
| 28 |      |             | 908     |        |       |        | 2344   | 1752 |
| 29 |      |             | 919     |        |       |        |        | 1754 |
| 30 |      |             | 929     |        |       |        |        | 1759 |
| 31 |      |             | 935     |        |       |        |        | 1760 |
| 32 |      |             | 942     |        |       |        |        | 1761 |
| 33 |      |             | 955     |        |       |        |        | 1776 |
| 34 |      |             | 1022    |        |       |        |        | 1777 |
| 35 |      |             | 1071    |        |       |        |        | 1954 |
| 36 |      |             | 1082    |        |       |        |        | 2052 |
| 37 |      |             | 1094    |        |       |        |        |      |
| 38 |      |             | 1140    |        |       |        |        |      |
| 39 |      |             | 1209    |        |       |        |        |      |
| 40 |      |             | 1223    |        |       |        |        |      |
| 41 |      |             | 1229    |        |       |        |        |      |
| 42 |      |             | 1254    |        |       |        |        |      |
| 43 |      |             | 1256    |        |       |        |        |      |
| 44 |      |             | 1280    |        |       |        |        |      |
| 45 |      |             | 1285    |        |       |        |        |      |
| 46 |      |             | 1304    |        |       |        |        |      |
| 47 |      |             | 1305    |        |       |        |        |      |
| 48 |      |             | 1384    |        |       |        |        |      |
| 49 |      |             | 1410    |        |       |        |        |      |
| 50 |      |             | 1459    |        |       |        |        |      |
| 51 |      |             | 1470    |        |       |        |        |      |
| 52 |      |             | 1503    |        |       |        |        |      |
| 53 |      |             | 1504    |        |       |        |        |      |
| 54 |      |             | 1511    |        |       |        |        |      |
| 55 |      |             | 1519    |        |       |        |        |      |
| 56 |      |             | 1524    |        |       |        |        |      |
| 57 |      |             | 1549    |        |       |        |        |      |
| 58 |      |             | 1552    |        |       |        |        |      |
| 59 |      |             | 1559    |        |       |        |        |      |
| 60 |      |             | 1566    |        |       |        |        |      |
| 61 |      |             | 1581    |        |       |        |        |      |
| 62 |      |             | 1598    |        |       |        |        |      |
| 63 |      |             | 1604    |        |       |        |        |      |
| 64 |      |             | 1618    |        |       |        |        |      |
| 65 |      |             | 1632    |        |       |        |        |      |
| 66 |      |             | 1645    |        |       |        |        |      |
| 67 |      |             | 1671    |        |       |        |        |      |
| 68 |      |             | 1701    |        |       |        |        |      |
| 69 |      |             | 1713    |        |       |        |        |      |
| 70 |      |             | 1735    |        |       |        |        |      |
| 71 |      |             | 1870    |        |       |        |        |      |
| 72 |      |             | 1988    |        |       |        |        |      |
| 73 |      |             | 2004    |        |       |        |        |      |
| 74 |      |             | 2010    |        |       |        |        |      |
| 75 |      |             | 2018    |        |       |        |        |      |
| 76 |      |             | 2068    |        |       |        |        |      |
| 77 |      |             | 2075    |        |       |        |        |      |
| 78 |      |             | 2079    |        |       |        |        |      |
| 79 |      |             | 2081    |        |       |        |        |      |
| 80 |      |             | 2090    |        |       |        |        |      |
| 81 |      |             | 2289    |        |       |        |        |      |
| 82 |      |             | 2295    |        |       |        |        |      |
| 83 |      |             | 2301    |        |       |        |        |      |
| 84 |      |             | 2320    |        |       |        |        |      |
| 85 |      |             | 2346    |        |       |        |        |      |
| 86 |      |             | 2359    |        |       |        |        |      |
| 87 |      |             | 2386    |        |       |        |        |      |

Table A.6: General Keyword Occurrences MDIA Act 2/2

|    | register | service provider | DLT | crime | crypto | exempt | monitor | report | record | agen/t/ts/cy |
|----|----------|------------------|-----|-------|--------|--------|---------|--------|--------|--------------|
| 1  | 102      | 906              | 62  | 207   | 427    | 660    | 358     | 338    | 64     | 543          |
| 2  | 370      | 910              | 72  | 209   | 1517   | 929    | 383     | 796    | 333    |              |
| 3  | 1005     | 964              |     | 284   |        | 1472   | 875     | 800    | 782    |              |
| 4  | 1006     | 1030             |     | 287   |        | 1489   | 2036    | 803    | 1561   |              |
| 5  | 1013     |                  |     | 289   |        | 1492   | 2376    | 848    | 1563   |              |
| 6  | 1319     |                  |     | 643   |        | 1963   |         | 850    | 1570   |              |
| 7  | 1846     |                  |     | 869   |        | 2302   |         | 857    | 1572   |              |
| 8  | 1851     |                  |     | 1708  |        |        |         | 860    | 1575   |              |
| 9  | 1874     |                  |     |       |        |        |         | 983    | 1622   |              |
| 10 | 1908     |                  |     |       |        |        |         |        | 2105   |              |

Table A.7: General Keyword Occurrences VFA Act 1/2

|    | exempt | virtual financial asset | VFA | register | licens/ce | duty | holder | fine | enforce |
|----|--------|-------------------------|-----|----------|-----------|------|--------|------|---------|
| 1  | 87     | 6                       | 35  | 103      | 54        | 433  | 54     | 24   | 193     |
| 2  | 100    | 8                       | 48  | 110      | 55        | 438  | 264    | 68   |         |
| 3  | 101    | 10                      | 114 | 292      | 80        | 446  | 282    | 97   |         |
| 4  | 105    | 22                      | 134 | 293      | 87        | 449  | 283    | 726  |         |
| 5  | 112    | 40                      | 147 | 294      | 88        | 494  | 300    |      |         |
| 6  | 139    | 46                      | 159 | 311      | 113       | 496  | 319    |      |         |
| 7  | 141    | 67                      | 171 | 359      | 114       | 688  | 320    |      |         |
| 8  | 143    | 135                     | 184 | 377      | 150       | 692  | 324    |      |         |
| 9  | 157    | 146                     | 196 | 783      | 161       | 693  | 328    |      |         |
| 10 | 169    | 175                     | 209 |          | 227       | 699  | 330    |      |         |
| 11 | 237    | 189                     | 310 |          | 260       | 702  | 333    |      |         |
| 12 | 240    | 266                     | 320 |          | 264       | 707  | 335    |      |         |
| 13 | 241    | 322                     | 328 |          | 268       | 714  | 338    |      |         |
| 14 | 245    | 323                     | 329 |          | 282       | 716  | 339    |      |         |
| 15 | 249    | 469                     | 332 |          | 283       | 728  | 343    |      |         |
| 16 | 250    | 473                     | 333 |          | 293       | 731  |        |      |         |
| 17 | 259    | 501                     | 334 |          | 300       |      |        |      |         |
| 18 | 261    | 505                     | 337 |          | 304       |      |        |      |         |
| 19 | 267    | 506                     | 338 |          | 307       |      |        |      |         |
| 20 | 270    | 531                     | 341 |          | 315       |      |        |      |         |
| 21 | 279    | 548                     | 352 |          | 319       |      |        |      |         |
| 22 | 538    | 602                     | 537 |          | 320       |      |        |      |         |
| 23 |        | 608                     | 785 |          | 323       |      |        |      |         |
| 24 |        | 609                     | 799 |          | 328       |      |        |      |         |
| 25 |        | 612                     | 810 |          | 330       |      |        |      |         |
| 26 |        | 613                     | 821 |          | 333       |      |        |      |         |
| 27 |        | 617                     | 832 |          | 335       |      |        |      |         |
| 28 |        | 620                     |     |          | 338       |      |        |      |         |
| 29 |        | 627                     |     |          | 339       |      |        |      |         |
| 30 |        | 664                     |     |          | 342       |      |        |      |         |
| 31 |        |                         |     |          | 343       |      |        |      |         |
| 32 |        |                         |     |          | 452       |      |        |      |         |
| 33 |        |                         |     |          | 482       |      |        |      |         |
| 34 |        |                         |     |          | 498       |      |        |      |         |
| 35 |        |                         |     |          | 536       |      |        |      |         |
| 36 |        |                         |     |          | 538       |      |        |      |         |
| 37 |        |                         |     |          | 565       |      |        |      |         |
| 38 |        |                         |     |          | 685       |      |        |      |         |
| 39 |        |                         |     |          | 721       |      |        |      |         |
| 40 |        |                         |     |          | 798       |      |        |      |         |

Table A.8: General Keyword Occurrences VFA Act 2/2

|    | crypto | monitor | report | record | review | responsible | oblige | audit | agen/t/ts/cy | whitepaper |
|----|--------|---------|--------|--------|--------|-------------|--------|-------|--------------|------------|
| 1  | 47     | 622     | 638    | 94     | 292    | 10          | 372    | 79    | 310          | 104        |
| 2  |        |         | 640    | 383    | 546    | 630         | 422    | 301   | 785          | 110        |
| 3  |        |         | 642    | 429    | 569    | 636         | 631    | 308   |              | 290        |
| 4  |        |         | 644    | 455    | 599    | 637         | 639    | 470   |              | 291        |
| 5  |        |         | 647    | 456    | 601    | 673         | 683    | 642   |              | 294        |
| 6  |        |         |        | 462    |        |             | 759    | 644   |              | 782        |
| 7  |        |         |        | 467    |        |             |        | 653   |              |            |
| 8  |        |         |        | 472    |        |             |        |       |              |            |
| 9  |        |         |        | 520    |        |             |        |       |              |            |
| 10 |        |         |        | 611    |        |             |        |       |              |            |
| 11 |        |         |        | 658    |        |             |        |       |              |            |

## A.5 Act Specific Keyword Occurrences Malta Legislation

Table A.9: ITAS Act specific Keyword Occurrences

|    | register/VFA | register/MDIA | service provider/MDIA | DLT/MDIA | register/ITAS | service provider/ITAS | DLT/ITAS |
|----|--------------|---------------|-----------------------|----------|---------------|-----------------------|----------|
| 1  | 103          | 102           | 906                   | 62       | 19            | 19                    | 408      |
| 2  | 110          | 370           | 910                   | 72       | 176           | 62                    | 413      |
| 3  | 292          | 1005          | 964                   |          | 177           | 146                   | 718      |
| 4  | 293          | 1006          | 1030                  |          | 183           | 459                   | 941      |
| 5  | 294          | 1013          |                       |          | 187           | 468                   | 953      |
| 6  | 311          | 1319          |                       |          | 190           | 486                   | 1105     |
| 7  | 359          | 1846          |                       |          | 296           | 491                   |          |
| 8  | 377          | 1851          |                       |          | 339           | 511                   |          |
| 9  | 783          | 1874          |                       |          | 342           | 518                   |          |
| 10 |              | 1908          |                       |          | 416           | 519                   |          |
| 11 |              |               |                       |          | 432           | 542                   |          |
| 12 |              |               |                       |          | 443           | 545                   |          |
| 13 |              |               |                       |          | 455           | 546                   |          |
| 14 |              |               |                       |          | 459           | 548                   |          |
| 15 |              |               |                       |          | 460           | 552                   |          |
| 16 |              |               |                       |          | 461           | 553                   |          |
| 17 |              |               |                       |          | 463           | 554                   |          |
| 18 |              |               |                       |          | 464           | 561                   |          |
| 19 |              |               |                       |          | 467           | 589                   |          |
| 20 |              |               |                       |          | 469           | 637                   |          |
| 21 |              |               |                       |          | 471           | 778                   |          |
| 22 |              |               |                       |          | 475           |                       |          |
| 23 |              |               |                       |          | 486           |                       |          |
| 24 |              |               |                       |          | 487           |                       |          |
| 25 |              |               |                       |          | 489           |                       |          |
| 26 |              |               |                       |          | 491           |                       |          |
| 27 |              |               |                       |          | 492           |                       |          |
| 28 |              |               |                       |          | 497           |                       |          |
| 29 |              |               |                       |          | 507           |                       |          |
| 30 |              |               |                       |          | 510           |                       |          |
| 31 |              |               |                       |          | 515           |                       |          |
| 32 |              |               |                       |          | 517           |                       |          |
| 33 |              |               |                       |          | 532           |                       |          |
| 34 |              |               |                       |          | 541           |                       |          |
| 35 |              |               |                       |          | 544           |                       |          |
| 36 |              |               |                       |          | 546           |                       |          |
| 37 |              |               |                       |          | 550           |                       |          |
| 38 |              |               |                       |          | 552           |                       |          |
| 39 |              |               |                       |          | 554           |                       |          |
| 40 |              |               |                       |          | 588           |                       |          |
| 41 |              |               |                       |          | 609           |                       |          |
| 42 |              |               |                       |          | 619           |                       |          |
| 43 |              |               |                       |          | 620           |                       |          |
| 44 |              |               |                       |          | 636           |                       |          |
| 45 |              |               |                       |          | 638           |                       |          |
| 46 |              |               |                       |          | 640           |                       |          |
| 47 |              |               |                       |          | 655           |                       |          |
| 48 |              |               |                       |          | 674           |                       |          |
| 49 |              |               |                       |          | 675           |                       |          |
| 50 |              |               |                       |          | 680           |                       |          |
| 51 |              |               |                       |          | 753           |                       |          |
| 52 |              |               |                       |          | 777           |                       |          |
| 53 |              |               |                       |          | 784           |                       |          |
| 54 |              |               |                       |          | 797           |                       |          |
| 55 |              |               |                       |          | 821           |                       |          |
| 56 |              |               |                       |          | 831           |                       |          |
| 57 |              |               |                       |          | 876           |                       |          |
| 58 |              |               |                       |          | 882           |                       |          |
| 59 |              |               |                       |          | 892           |                       |          |
| 60 |              |               |                       |          | 985           |                       |          |
| 61 |              |               |                       |          | 986           |                       |          |
| 62 |              |               |                       |          | 1036          |                       |          |

Table A.10: MDIA Act specific Keyword Occurrences 1/3

|    | holder/ITAS | fine/ITAS | crime/ITAS | enforce/ITAS |
|----|-------------|-----------|------------|--------------|
| 1  | 228         | 32        | 685        | 99           |
| 2  | 281         | 117       |            | 1005         |
| 3  | 283         | 893       |            |              |
| 4  | 290         | 896       |            |              |
| 5  | 522         | 994       |            |              |
| 6  | 607         | 997       |            |              |
| 7  | 618         | 1076      |            |              |
| 8  | 637         | 1161      |            |              |
| 9  | 660         | 1180      |            |              |
| 10 | 700         |           |            |              |
| 11 | 702         |           |            |              |
| 12 | 735         |           |            |              |
| 13 | 739         |           |            |              |
| 14 | 741         |           |            |              |
| 15 | 747         |           |            |              |
| 16 | 755         |           |            |              |
| 17 | 757         |           |            |              |
| 18 | 767         |           |            |              |
| 19 | 770         |           |            |              |
| 20 | 772         |           |            |              |
| 21 | 788         |           |            |              |
| 22 | 790         |           |            |              |
| 23 | 805         |           |            |              |
| 24 | 810         |           |            |              |
| 25 | 815         |           |            |              |
| 26 | 818         |           |            |              |
| 27 | 836         |           |            |              |
| 28 | 837         |           |            |              |
| 29 | 842         |           |            |              |
| 30 | 848         |           |            |              |
| 31 | 849         |           |            |              |
| 32 | 857         |           |            |              |
| 33 | 863         |           |            |              |
| 34 | 898         |           |            |              |
| 35 | 916         |           |            |              |
| 36 | 997         |           |            |              |
| 37 | 1021        |           |            |              |
| 38 | 1039        |           |            |              |
| 39 | 1050        |           |            |              |
| 40 | 1053        |           |            |              |
| 41 | 1111        |           |            |              |
| 42 | 1112        |           |            |              |
| 43 | 1130        |           |            |              |
| 44 | 1131        |           |            |              |
| 45 | 1139        |           |            |              |
| 46 | 1144        |           |            |              |
| 47 | 1146        |           |            |              |
| 48 | 1151        |           |            |              |
| 49 | 1156        |           |            |              |
| 50 | 1180        |           |            |              |

Table A.11: MDIA Act specific Keyword Occurrences 2/3

|    | holder/MDIA | fine/MDIA | crime/MDIA | enforce/MDIA |
|----|-------------|-----------|------------|--------------|
| 1  | 105         | 50        | 207        | 25           |
| 2  | 106         | 74        | 209        | 78           |
| 3  | 122         | 553       | 284        | 104          |
| 4  | 491         | 642       | 287        | 112          |
| 5  | 862         | 1099      | 289        | 114          |
| 6  | 976         | 1345      | 643        | 134          |
| 7  | 981         | 1346      | 869        | 198          |
| 8  | 1001        | 1363      | 1708       | 251          |
| 9  | 1006        | 1364      |            | 364          |
| 10 | 1166        | 1378      |            | 373          |
| 11 | 1176        | 1409      |            | 377          |
| 12 | 1180        | 1412      |            | 383          |
| 13 | 1188        | 1413      |            | 392          |
| 14 | 1215        | 1416      |            | 398          |
| 15 | 1218        | 1431      |            | 402          |
| 16 | 1233        | 1635      |            | 406          |
| 17 | 1235        | 1637      |            | 466          |
| 18 | 1239        | 1664      |            | 474          |
| 19 | 1249        | 1668      |            | 479          |
| 20 | 1264        | 1669      |            | 501          |
| 21 | 1299        | 1681      |            | 514          |
| 22 | 1316        | 1685      |            | 679          |
| 23 | 1439        | 1688      |            | 688          |
| 24 | 1542        | 1693      |            | 696          |
| 25 | 1545        | 1695      |            | 751          |
| 26 | 2240        | 1711      |            | 888          |
| 27 | 2343        | 1734      |            | 892          |
| 28 | 2344        | 1752      |            | 908          |
| 29 |             | 1754      |            | 919          |
| 30 |             | 1759      |            | 929          |
| 31 |             | 1760      |            | 935          |
| 32 |             | 1761      |            | 942          |
| 33 |             | 1776      |            | 955          |
| 34 |             | 1777      |            | 1022         |
| 35 |             | 1954      |            | 1071         |
| 36 |             | 2052      |            | 1082         |
| 37 |             |           |            | 1094         |
| 38 |             |           |            | 1140         |
| 39 |             |           |            | 1209         |
| 40 |             |           |            | 1223         |
| 41 |             |           |            | 1229         |
| 42 |             |           |            | 1254         |
| 43 |             |           |            | 1256         |
| 44 |             |           |            | 1280         |
| 45 |             |           |            | 1285         |
| 46 |             |           |            | 1304         |
| 47 |             |           |            | 1305         |
| 48 |             |           |            | 1384         |
| 49 |             |           |            | 1410         |
| 50 |             |           |            | 1459         |
| 51 |             |           |            | 1470         |
| 52 |             |           |            | 1503         |
| 53 |             |           |            | 1504         |
| 54 |             |           |            | 1511         |
| 55 |             |           |            | 1519         |
| 56 |             |           |            | 1524         |
| 57 |             |           |            | 1549         |
| 58 |             |           |            | 1552         |
| 59 |             |           |            | 1559         |
| 60 |             |           |            | 1566         |
| 61 |             |           |            | 1581         |
| 62 |             |           |            | 1598         |
| 63 |             |           |            | 1604         |
| 64 |             |           |            | 1618         |
| 65 |             |           |            | 1632         |
| 66 |             |           |            | 1645         |
| 67 |             |           |            | 1671         |
| 68 |             |           |            | 1701         |
| 69 |             |           |            | 1713         |
| 70 |             |           |            | 1735         |
| 71 |             |           |            | 1870         |
| 72 |             |           |            | 1988         |
| 73 |             |           |            | 2004         |
| 74 |             |           |            | 2010         |
| 75 |             |           |            | 2018         |
| 76 |             |           |            | 2068         |
| 77 |             |           |            | 2075         |
| 78 |             |           |            | 2079         |
| 79 |             |           |            | 2081         |
| 80 |             |           |            | 2090         |
| 81 |             |           |            | 2289         |
| 82 |             |           |            | 2295         |
| 83 |             |           |            | 2301         |
| 84 |             |           |            | 2320         |
| 85 |             |           |            | 2346         |
| 86 |             |           |            | 2359         |
| 87 |             |           |            | 2386         |

Table A.12: MDIA Act specific Keyword Occurrences 3/3

|    | holder/VFA | fine/VFA | enforce/VFA |
|----|------------|----------|-------------|
| 1  | 54         | 24       | 193         |
| 2  | 264        | 68       |             |
| 3  | 282        | 97       |             |
| 4  | 283        | 726      |             |
| 5  | 300        |          |             |
| 6  | 319        |          |             |
| 7  | 320        |          |             |
| 8  | 324        |          |             |
| 9  | 328        |          |             |
| 10 | 330        |          |             |
| 11 | 333        |          |             |
| 12 | 335        |          |             |
| 13 | 338        |          |             |
| 14 | 339        |          |             |
| 15 | 343        |          |             |

Table A.13: VFA Act specific Keyword Occurrences

|    | virtual financial asset/VFA | VFA/VFA | whitepaper/VFA | licens/VFA | virtual financial asset/ITAS | VFA/ITAS | whitepaper/ITAS |
|----|-----------------------------|---------|----------------|------------|------------------------------|----------|-----------------|
| 1  | 6                           | 35      | 104            | 54         | 49                           | 49       | 1035            |
| 2  | 8                           | 48      | 110            | 55         | 906                          | 906      |                 |
| 3  | 10                          | 114     | 290            | 80         |                              |          |                 |
| 4  | 22                          | 134     | 291            | 87         |                              |          |                 |
| 5  | 40                          | 147     | 294            | 88         |                              |          |                 |
| 6  | 46                          | 159     | 782            | 113        |                              |          |                 |
| 7  | 67                          | 171     |                | 114        |                              |          |                 |
| 8  | 135                         | 184     |                | 150        |                              |          |                 |
| 9  | 146                         | 196     |                | 161        |                              |          |                 |
| 10 | 175                         | 209     |                | 227        |                              |          |                 |
| 11 | 189                         | 310     |                | 260        |                              |          |                 |
| 12 | 266                         | 320     |                | 264        |                              |          |                 |
| 13 | 322                         | 328     |                | 268        |                              |          |                 |
| 14 | 323                         | 329     |                | 282        |                              |          |                 |
| 15 | 469                         | 332     |                | 283        |                              |          |                 |
| 16 | 473                         | 333     |                | 293        |                              |          |                 |
| 17 | 501                         | 334     |                | 300        |                              |          |                 |
| 18 | 505                         | 337     |                | 304        |                              |          |                 |
| 19 | 506                         | 338     |                | 307        |                              |          |                 |
| 20 | 531                         | 341     |                | 315        |                              |          |                 |
| 21 | 548                         | 352     |                | 319        |                              |          |                 |
| 22 | 602                         | 537     |                | 320        |                              |          |                 |
| 23 | 608                         | 785     |                | 323        |                              |          |                 |
| 24 | 609                         | 799     |                | 328        |                              |          |                 |
| 25 | 612                         | 810     |                | 330        |                              |          |                 |
| 26 | 613                         | 821     |                | 333        |                              |          |                 |
| 27 | 617                         | 832     |                | 335        |                              |          |                 |
| 28 | 620                         |         |                | 338        |                              |          |                 |
| 29 | 627                         |         |                | 339        |                              |          |                 |
| 30 | 664                         |         |                | 342        |                              |          |                 |
| 31 |                             |         |                | 343        |                              |          |                 |
| 32 |                             |         |                | 452        |                              |          |                 |
| 33 |                             |         |                | 482        |                              |          |                 |
| 34 |                             |         |                | 498        |                              |          |                 |
| 35 |                             |         |                | 536        |                              |          |                 |
| 36 |                             |         |                | 538        |                              |          |                 |
| 37 |                             |         |                | 565        |                              |          |                 |
| 38 |                             |         |                | 685        |                              |          |                 |
| 39 |                             |         |                | 721        |                              |          |                 |
| 40 |                             |         |                | 798        |                              |          |                 |





# B Regulatory Data EU

## B.1 Keyword Frequency EU Legislation

Table B.1: Keyword frequency EU Legislation

| Keywords         | ALMD V | MiCA | MiCA Annexes | AMLC |
|------------------|--------|------|--------------|------|
| enable           | 8      | 21   | 8            | 3    |
| virtual          | 19     | 2    | 0            | 1    |
| crypto           | 1      | 1226 | 96           | 0    |
| DLT              | 0      | 43   | 0            | 0    |
| whitepaper       | 0      | 2    | 3            | 0    |
| licenc/se        | 1      | 0    | 0            | 0    |
| service provider | 1      | 334  | 24           | 0    |
| register         | 84     | 40   | 6            | 0    |
| agen/t/ts/cy     | 2      | 23   | 0            | 0    |
| enforce          | 4      | 11   | 1            | 1    |
| holder           | 7      | 126  | 37           | 2    |
| fine             | 11     | 81   | 1            | 3    |
| crime            | 28     | 31   | 2            | 83   |
| framework        | 17     | 67   | 0            | 32   |

## B.2 Word Frequency EU Legislation

Table B.2: Fourteen most common words/frequency in EU legislation

| AMLDIV Words | AMLDIV freq. | AMLDV Words | AMLDV freq. | AMLC Words | AMLC freq. | MiCA Words    | MiCA freq. | MiCA An. Words | MiCA An. freq. |
|--------------|--------------|-------------|-------------|------------|------------|---------------|------------|----------------|----------------|
| articl       | 309          | member      | 232         | direct     | 83         | cryptoasset   | 1281       | issuer         | 145            |
| shall        | 303          | state       | 224         | offenc     | 76         | token         | 959        | articl         | 144            |
| member       | 302          | shall       | 194         | state      | 73         | shall         | 831        | cryptoasset    | 92             |
| state        | 290          | inform      | 191         | member     | 71         | articl        | 721        | infring        | 92             |
| entiti       | 200          | articl      | 167         | crimin     | 64         | issuer        | 672        | token          | 81             |
| direct       | 191          | legal       | 138         | council    | 56         | provid        | 587        | asset          | 67             |
| person       | 183          | direct      | 134         | european   | 55         | servic        | 576        | reserv         | 51             |
| oblig        | 182          | author      | 128         | articl     | 54         | assetreferenc | 525        | signific       | 51             |
| inform       | 160          | follow      | 114         | launder    | 39         | author        | 444        | assetreferenc  | 43             |
| european     | 137          | european    | 113         | activ      | 38         | compet        | 384        | inform         | 38             |
| money        | 135          | paragraph   | 109         | money      | 37         | asset         | 333        | servic         | 38             |
| risk         | 122          | benefici    | 93          | union      | 35         | refer         | 331        | holder         | 35             |
| launder      | 121          | entiti      | 93          | decis      | 34         | inform        | 319        | refer          | 35             |
| author       | 117          | compet      | 90          | framework  | 34         | regul         | 309        | provid         | 33             |

### B.3 Word Clouds EU Legislation

Figure B.1: Word cloud AMLD IV

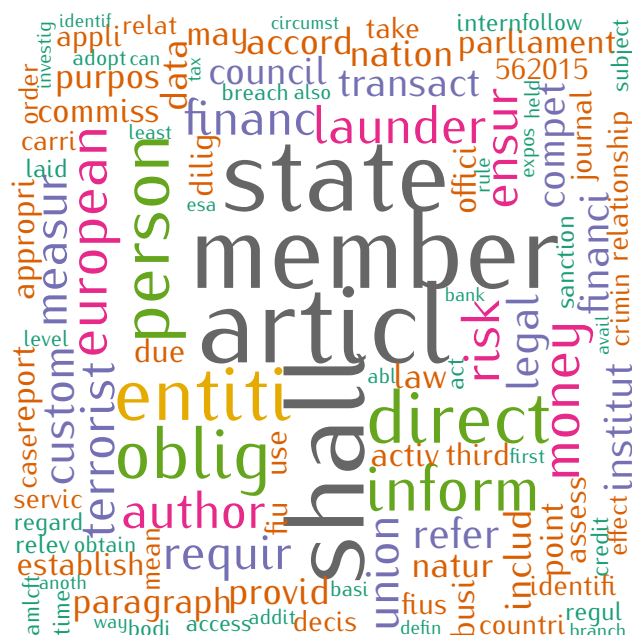


Figure B.2: Word cloud of the fourteen most frequent words in AMLD V and AMLC

(a) Word cloud AMLD V

(b) Word cloud *AMLC*



Figure B.3: Word cloud of the fourteen most frequent words in MiCA and its Annexes

(a) Word cloud MiCA



(b) Word cloud MiCA – Annexes



B.4 Keyword Occurrences EU Legislation

Table B.3: Keyword Occurrences in AMLD V 1/2

|    | agent/cy/ts | enforce | holder | fine | crime |
|----|-------------|---------|--------|------|-------|
| 1  | 59          | 166     | 201    | 93   | 31    |
| 2  | 524         | 1167    | 209    | 94   | 32    |
| 3  |             | 1202    | 215    | 178  | 49    |
| 4  |             | 1333    | 506    | 193  | 70    |
| 5  |             |         | 586    | 354  | 83    |
| 6  |             |         | 1029   | 426  | 167   |
| 7  |             |         | 1032   | 545  | 177   |
| 8  |             |         |        | 567  | 182   |
| 9  |             |         |        | 644  | 187   |
| 10 |             |         |        | 1018 | 192   |
| 11 |             |         |        | 1429 | 231   |
| 12 |             |         |        |      | 259   |
| 13 |             |         |        |      | 262   |
| 14 |             |         |        |      | 455   |
| 15 |             |         |        |      | 460   |
| 16 |             |         |        |      | 467   |
| 17 |             |         |        |      | 545   |
| 18 |             |         |        |      | 548   |
| 19 |             |         |        |      | 580   |
| 20 |             |         |        |      | 609   |
| 21 |             |         |        |      | 824   |
| 22 |             |         |        |      | 921   |
| 23 |             |         |        |      | 1080  |
| 24 |             |         |        |      | 1083  |
| 25 |             |         |        |      | 1255  |
| 26 |             |         |        |      | 1333  |
| 27 |             |         |        |      | 1346  |
| 28 |             |         |        |      | 1348  |

Table B.4: Keyword Occurrences in AMLD V 2/2

|    | enable | virtual | crypto | framework | licens/c e | service provider | register |
|----|--------|---------|--------|-----------|------------|------------------|----------|
| 1  | 225    | 72      | 574    | 20        | 1156       | 1156             | 214      |
| 2  | 235    | 76      |        | 28        |            |                  | 224      |
| 3  | 306    | 78      |        | 71        |            |                  | 263      |
| 4  | 309    | 80      |        | 129       |            |                  | 265      |
| 5  | 428    | 83      |        | 206       |            |                  | 266      |
| 6  | 806    | 84      |        | 252       |            |                  | 268      |
| 7  | 912    | 85      |        | 305       |            |                  | 270      |
| 8  | 1203   | 88      |        | 345       |            |                  | 271      |
| 9  |        | 93      |        | 407       |            |                  | 342      |
| 10 |        | 98      |        | 456       |            |                  | 346      |
| 11 |        | 100     |        | 542       |            |                  | 362      |
| 12 |        | 102     |        | 545       |            |                  | 363      |
| 13 |        | 162     |        | 548       |            |                  | 364      |
| 14 |        | 527     |        | 608       |            |                  | 365      |
| 15 |        | 570     |        | 800       |            |                  | 369      |
| 16 |        | 575     |        | 902       |            |                  | 370      |
| 17 |        | 1154    |        | 1395      |            |                  | 377      |
| 18 |        | 1391    |        |           |            |                  | 380      |
| 19 |        | 1393    |        |           |            |                  | 381      |
| 20 |        |         |        |           |            |                  | 382      |
| 21 |        |         |        |           |            |                  | 385      |
| 22 |        |         |        |           |            |                  | 394      |
| 23 |        |         |        |           |            |                  | 409      |
| 24 |        |         |        |           |            |                  | 425      |
| 25 |        |         |        |           |            |                  | 431      |
| 26 |        |         |        |           |            |                  | 432      |
| 27 |        |         |        |           |            |                  | 434      |
| 28 |        |         |        |           |            |                  | 435      |
| 29 |        |         |        |           |            |                  | 437      |
| 30 |        |         |        |           |            |                  | 438      |
| 31 |        |         |        |           |            |                  | 504      |
| 32 |        |         |        |           |            |                  | 505      |
| 33 |        |         |        |           |            |                  | 676      |
| 34 |        |         |        |           |            |                  | 677      |
| 35 |        |         |        |           |            |                  | 789      |
| 36 |        |         |        |           |            |                  | 793      |
| 37 |        |         |        |           |            |                  | 796      |
| 38 |        |         |        |           |            |                  | 809      |
| 39 |        |         |        |           |            |                  | 810      |
| 40 |        |         |        |           |            |                  | 812      |
| 41 |        |         |        |           |            |                  | 815      |
| 42 |        |         |        |           |            |                  | 820      |
| 43 |        |         |        |           |            |                  | 842      |
| 44 |        |         |        |           |            |                  | 844      |
| 45 |        |         |        |           |            |                  | 849      |
| 46 |        |         |        |           |            |                  | 851      |
| 47 |        |         |        |           |            |                  | 852      |
| 48 |        |         |        |           |            |                  | 853      |
| 49 |        |         |        |           |            |                  | 884      |
| 50 |        |         |        |           |            |                  | 889      |
| 51 |        |         |        |           |            |                  | 895      |
| 52 |        |         |        |           |            |                  | 896      |
| 53 |        |         |        |           |            |                  | 897      |
| 54 |        |         |        |           |            |                  | 914      |
| 55 |        |         |        |           |            |                  | 917      |
| 56 |        |         |        |           |            |                  | 923      |
| 57 |        |         |        |           |            |                  | 924      |
| 58 |        |         |        |           |            |                  | 926      |
| 59 |        |         |        |           |            |                  | 928      |
| 60 |        |         |        |           |            |                  | 932      |
| 61 |        |         |        |           |            |                  | 935      |
| 62 |        |         |        |           |            |                  | 956      |
| 63 |        |         |        |           |            |                  | 958      |
| 64 |        |         |        |           |            |                  | 962      |
| 65 |        |         |        |           |            |                  | 968      |
| 66 |        |         |        |           |            |                  | 970      |
| 67 |        |         |        |           |            |                  | 971      |
| 68 |        |         |        |           |            |                  | 972      |
| 69 |        |         |        |           |            |                  | 990      |
| 70 |        |         |        |           |            |                  | 994      |
| 71 |        |         |        |           |            |                  | 996      |
| 72 |        |         |        |           |            |                  | 1016     |
| 73 |        |         |        |           |            |                  | 1053     |
| 74 |        |         |        |           |            |                  | 1054     |
| 75 |        |         |        |           |            |                  | 1056     |
| 76 |        |         |        |           |            |                  | 1057     |
| 77 |        |         |        |           |            |                  | 1155     |
| 78 |        |         |        |           |            |                  | 1156     |
| 79 |        |         |        |           |            |                  | 1163     |
| 80 |        |         |        |           |            |                  | 1164     |
| 81 |        |         |        |           |            |                  | 1392     |
| 82 |        |         |        |           |            |                  | 1407     |
| 83 |        |         |        |           |            |                  | 1410     |
| 84 |        |         |        |           |            |                  | 1418     |

Table B.5: Keyword Occurrences in AMLC

|    | enable | virtual | enforce | holder | fine | crime | framework |
|----|--------|---------|---------|--------|------|-------|-----------|
| 1  | 16     | 56      | 31      | 58     | 113  | 5     | 28        |
| 2  | 131    |         |         | 60     | 302  | 12    | 29        |
| 3  | 145    |         |         |        | 352  | 16    | 39        |
| 4  |        |         |         |        |      | 26    | 60        |
| 5  |        |         |         |        |      | 28    | 67        |
| 6  |        |         |         |        |      | 29    | 75        |
| 7  |        |         |         |        |      | 40    | 123       |
| 8  |        |         |         |        |      | 43    | 140       |
| 9  |        |         |         |        |      | 52    | 148       |
| 10 |        |         |         |        |      | 54    | 159       |
| 11 |        |         |         |        |      | 61    | 183       |
| 12 |        |         |         |        |      | 62    | 189       |
| 13 |        |         |         |        |      | 63    | 205       |
| 14 |        |         |         |        |      | 64    | 210       |
| 15 |        |         |         |        |      | 65    | 214       |
| 16 |        |         |         |        |      | 68    | 218       |
| 17 |        |         |         |        |      | 72    | 220       |
| 18 |        |         |         |        |      | 80    | 222       |
| 19 |        |         |         |        |      | 83    | 224       |
| 20 |        |         |         |        |      | 86    | 225       |
| 21 |        |         |         |        |      | 89    | 228       |
| 22 |        |         |         |        |      | 90    | 230       |
| 23 |        |         |         |        |      | 91    | 235       |
| 24 |        |         |         |        |      | 93    | 237       |
| 25 |        |         |         |        |      | 96    | 278       |
| 26 |        |         |         |        |      | 97    | 287       |
| 27 |        |         |         |        |      | 98    | 322       |
| 28 |        |         |         |        |      | 99    | 385       |
| 29 |        |         |         |        |      | 101   | 395       |
| 30 |        |         |         |        |      | 103   | 396       |
| 31 |        |         |         |        |      | 105   | 398       |
| 32 |        |         |         |        |      | 106   | 399       |
| 33 |        |         |         |        |      | 108   |           |
| 34 |        |         |         |        |      | 109   |           |
| 35 |        |         |         |        |      | 122   |           |
| 36 |        |         |         |        |      | 124   |           |
| 37 |        |         |         |        |      | 126   |           |
| 38 |        |         |         |        |      | 127   |           |
| 39 |        |         |         |        |      | 128   |           |
| 40 |        |         |         |        |      | 130   |           |
| 41 |        |         |         |        |      | 132   |           |
| 42 |        |         |         |        |      | 135   |           |
| 43 |        |         |         |        |      | 139   |           |
| 44 |        |         |         |        |      | 140   |           |
| 45 |        |         |         |        |      | 143   |           |
| 46 |        |         |         |        |      | 149   |           |
| 47 |        |         |         |        |      | 154   |           |
| 48 |        |         |         |        |      | 165   |           |
| 49 |        |         |         |        |      | 166   |           |
| 50 |        |         |         |        |      | 167   |           |
| 51 |        |         |         |        |      | 172   |           |
| 52 |        |         |         |        |      | 187   |           |
| 53 |        |         |         |        |      | 190   |           |
| 54 |        |         |         |        |      | 191   |           |
| 55 |        |         |         |        |      | 195   |           |
| 56 |        |         |         |        |      | 200   |           |
| 57 |        |         |         |        |      | 204   |           |
| 58 |        |         |         |        |      | 205   |           |
| 59 |        |         |         |        |      | 231   |           |
| 60 |        |         |         |        |      | 244   |           |
| 61 |        |         |         |        |      | 250   |           |
| 62 |        |         |         |        |      | 256   |           |
| 63 |        |         |         |        |      | 266   |           |
| 64 |        |         |         |        |      | 267   |           |
| 65 |        |         |         |        |      | 271   |           |
| 66 |        |         |         |        |      | 273   |           |
| 67 |        |         |         |        |      | 275   |           |
| 68 |        |         |         |        |      | 278   |           |
| 69 |        |         |         |        |      | 281   |           |
| 70 |        |         |         |        |      | 284   |           |
| 71 |        |         |         |        |      | 291   |           |
| 72 |        |         |         |        |      | 294   |           |
| 73 |        |         |         |        |      | 295   |           |
| 74 |        |         |         |        |      | 297   |           |
| 75 |        |         |         |        |      | 300   |           |
| 76 |        |         |         |        |      | 304   |           |
| 77 |        |         |         |        |      | 305   |           |
| 78 |        |         |         |        |      | 309   |           |
| 79 |        |         |         |        |      | 313   |           |
| 80 |        |         |         |        |      | 322   |           |
| 81 |        |         |         |        |      | 346   |           |
| 82 |        |         |         |        |      | 352   |           |
| 83 |        |         |         |        |      | 392   |           |

Table B.6: Keyword Occurrences in MiCA 1/2

|    | enable | DLT  | virtual | whitepaper | register | framework |
|----|--------|------|---------|------------|----------|-----------|
| 1  | 16     | 24   | 2       | 500        | 210      | 28        |
| 2  | 85     | 29   |         | 502        | 456      | 39        |
| 3  | 186    | 42   |         |            | 608      | 82        |
| 4  | 734    | 86   |         |            | 948      | 85        |
| 5  | 795    | 90   |         |            | 1028     | 97        |
| 6  | 944    | 91   |         |            | 1248     | 100       |
| 7  | 1230   | 99   |         |            | 1250     | 135       |
| 8  | 1544   | 136  |         |            | 1264     | 144       |
| 9  | 2608   | 157  |         |            | 1268     | 188       |
| 10 | 2922   | 185  |         |            | 1272     | 204       |
| 11 | 3291   | 305  |         |            | 1737     | 206       |
| 12 | 3949   | 737  |         |            | 1739     | 221       |
| 13 | 4032   | 738  |         |            | 1741     | 236       |
| 14 | 4077   | 830  |         |            | 1751     | 237       |
| 15 | 4324   | 1342 |         |            | 1757     | 253       |
| 16 | 4465   | 1652 |         |            | 1970     | 297       |
| 17 | 5511   | 1666 |         |            | 2370     | 301       |
| 18 | 5676   | 1821 |         |            | 2879     | 313       |
| 19 | 6310   | 2432 |         |            | 2891     | 353       |
| 20 | 6345   | 2433 |         |            | 2903     | 413       |
| 21 | 6475   | 2656 |         |            | 2904     | 476       |
| 22 |        | 2657 |         |            | 2911     | 773       |
| 23 |        | 4132 |         |            | 3589     | 780       |
| 24 |        | 4218 |         |            | 3618     | 789       |
| 25 |        | 6309 |         |            | 3718     | 791       |
| 26 |        | 6314 |         |            | 3751     | 793       |
| 27 |        | 6332 |         |            | 3752     | 795       |
| 28 |        | 6344 |         |            | 3780     | 802       |
| 29 |        | 6358 |         |            | 3781     | 811       |
| 30 |        | 6360 |         |            | 3783     | 1395      |
| 31 |        | 6369 |         |            | 3799     | 1514      |
| 32 |        | 6374 |         |            | 3815     | 1529      |
| 33 |        | 6377 |         |            | 3816     | 1597      |
| 34 |        | 6394 |         |            | 4095     | 3883      |
| 35 |        | 6406 |         |            | 4097     | 6246      |
| 36 |        | 6411 |         |            | 4099     | 6264      |
| 37 |        | 6431 |         |            | 4100     | 6284      |
| 38 |        | 6465 |         |            | 4111     | 6290      |
| 39 |        | 6474 |         |            | 4935     | 6295      |
| 40 |        | 6524 |         |            | 6117     | 6297      |
| 41 |        | 6564 |         |            |          | 6311      |
| 42 |        | 6952 |         |            |          | 6330      |
| 43 |        | 6965 |         |            |          | 6389      |
| 44 |        |      |         |            |          | 6399      |
| 45 |        |      |         |            |          | 6408      |
| 46 |        |      |         |            |          | 6411      |
| 47 |        |      |         |            |          | 6436      |
| 48 |        |      |         |            |          | 6445      |
| 49 |        |      |         |            |          | 6460      |
| 50 |        |      |         |            |          | 6534      |
| 51 |        |      |         |            |          | 6544      |
| 52 |        |      |         |            |          | 6552      |
| 53 |        |      |         |            |          | 6585      |
| 54 |        |      |         |            |          | 6588      |
| 55 |        |      |         |            |          | 6596      |
| 56 |        |      |         |            |          | 6602      |
| 57 |        |      |         |            |          | 6610      |
| 58 |        |      |         |            |          | 6628      |
| 59 |        |      |         |            |          | 6652      |
| 60 |        |      |         |            |          | 6665      |
| 61 |        |      |         |            |          | 6673      |
| 62 |        |      |         |            |          | 6807      |
| 63 |        |      |         |            |          | 6808      |
| 64 |        |      |         |            |          | 6809      |
| 65 |        |      |         |            |          | 6811      |
| 66 |        |      |         |            |          | 6825      |
| 67 |        |      |         |            |          | 6887      |

Table B.7: Keyword Occurrences in MiCA 2/2

|    | agen/t/ts/cy | enforce | fine | crime |
|----|--------------|---------|------|-------|
| 1  | 77           | 688     | 89   | 918   |
| 2  | 4904         | 2267    | 489  | 1348  |
| 3  | 5296         | 3950    | 504  | 2229  |
| 4  | 5297         | 4706    | 605  | 2643  |
| 5  | 5303         | 4719    | 628  | 3285  |
| 6  | 5421         | 4893    | 686  | 3635  |
| 7  | 5422         | 5676    | 688  | 3663  |
| 8  | 5428         | 5930    | 689  | 3907  |
| 9  | 6480         | 5943    | 746  | 4213  |
| 10 | 6481         | 5944    | 806  | 4222  |
| 11 | 6484         | 6003    | 818  | 4232  |
| 12 | 6497         |         | 841  | 4672  |
| 13 | 6500         |         | 844  | 4708  |
| 14 | 6534         |         | 847  | 4710  |
| 15 | 6538         |         | 873  | 4711  |
| 16 | 6717         |         | 924  | 4719  |
| 17 | 6720         |         | 1093 | 4828  |
| 18 | 6728         |         | 1278 | 4941  |
| 19 | 6733         |         | 1284 | 4957  |
| 20 | 6789         |         | 1309 | 4960  |
| 21 | 6868         |         | 1448 | 5200  |
| 22 | 6871         |         | 1577 | 5202  |
| 23 | 6873         |         | 1579 | 5203  |
| 24 |              |         | 1581 | 5206  |
| 25 |              |         | 1583 | 5212  |
| 26 |              |         | 1585 | 5802  |
| 27 |              |         | 1591 | 5867  |
| 28 |              |         | 1625 | 6005  |
| 29 |              |         | 1628 | 6007  |
| 30 |              |         | 1631 | 6010  |
| 31 |              |         | 1634 | 6182  |
| 32 |              |         | 1637 |       |
| 33 |              |         | 1646 |       |
| 34 |              |         | 1726 |       |
| 35 |              |         | 1728 |       |
| 36 |              |         | 1778 |       |
| 37 |              |         | 1951 |       |
| 38 |              |         | 1953 |       |
| 39 |              |         | 1954 |       |
| 40 |              |         | 1955 |       |
| 41 |              |         | 2629 |       |
| 42 |              |         | 2940 |       |
| 43 |              |         | 2945 |       |
| 44 |              |         | 3283 |       |
| 45 |              |         | 3353 |       |
| 46 |              |         | 3355 |       |
| 47 |              |         | 3539 |       |
| 48 |              |         | 3982 |       |
| 49 |              |         | 3993 |       |
| 50 |              |         | 3995 |       |
| 51 |              |         | 3996 |       |
| 52 |              |         | 4146 |       |
| 53 |              |         | 5039 |       |
| 54 |              |         | 5042 |       |
| 55 |              |         | 5057 |       |
| 56 |              |         | 5541 |       |
| 57 |              |         | 5550 |       |
| 58 |              |         | 5596 |       |
| 59 |              |         | 5761 |       |
| 60 |              |         | 5792 |       |
| 61 |              |         | 5853 |       |
| 62 |              |         | 5854 |       |
| 63 |              |         | 5895 |       |
| 64 |              |         | 5896 |       |
| 65 |              |         | 5899 |       |
| 66 |              |         | 5900 |       |
| 67 |              |         | 5930 |       |
| 68 |              |         | 5931 |       |
| 69 |              |         | 5936 |       |
| 70 |              |         | 5938 |       |
| 71 |              |         | 5942 |       |
| 72 |              |         | 5946 |       |
| 73 |              |         | 5949 |       |
| 74 |              |         | 5994 |       |
| 75 |              |         | 6000 |       |
| 76 |              |         | 6002 |       |
| 77 |              |         | 6003 |       |
| 78 |              |         | 6008 |       |
| 79 |              |         | 6032 |       |
| 80 |              |         | 6034 |       |
| 81 |              |         | 6182 |       |



Table B.8: Keyword Occurrences in MiCA – Annexes 1/2

|    | virtual | enable | whitepaper | service provider |
|----|---------|--------|------------|------------------|
| 1  |         | 307    | 45         | 34               |
| 2  |         | 334    | 168        | 77               |
| 3  |         | 431    | 191        | 164              |
| 4  |         | 500    |            | 188              |
| 5  |         | 518    |            | 224              |
| 6  |         | 556    |            | 229              |
| 7  |         | 574    |            | 238              |
| 8  |         | 601    |            | 242              |
| 9  |         |        |            | 405              |
| 10 |         |        |            | 411              |
| 11 |         |        |            | 418              |
| 12 |         |        |            | 421              |
| 13 |         |        |            | 425              |
| 14 |         |        |            | 432              |
| 15 |         |        |            | 470              |
| 16 |         |        |            | 471              |
| 17 |         |        |            | 492              |
| 18 |         |        |            | 530              |
| 19 |         |        |            | 536              |
| 20 |         |        |            | 543              |
| 21 |         |        |            | 546              |
| 22 |         |        |            | 550              |
| 23 |         |        |            | 557              |
| 24 |         |        |            | 569              |

Table B.9: Keyword Occurrences in MiCA – Annexes 2/2

|    | register | enforce | holder | fine | crime | framework |
|----|----------|---------|--------|------|-------|-----------|
| 1  | 17       | 140     | 58     | 340  | 494   |           |
| 2  | 18       |         | 60     |      | 571   |           |
| 3  | 27       |         | 76     |      |       |           |
| 4  | 171      |         | 141    |      |       |           |
| 5  | 172      |         | 201    |      |       |           |
| 6  | 181      |         | 205    |      |       |           |
| 7  |          |         | 258    |      |       |           |
| 8  |          |         | 264    |      |       |           |
| 9  |          |         | 266    |      |       |           |
| 10 |          |         | 268    |      |       |           |
| 11 |          |         | 284    |      |       |           |
| 12 |          |         | 289    |      |       |           |
| 13 |          |         | 304    |      |       |           |
| 14 |          |         | 305    |      |       |           |
| 15 |          |         | 307    |      |       |           |
| 16 |          |         | 310    |      |       |           |
| 17 |          |         | 315    |      |       |           |
| 18 |          |         | 319    |      |       |           |
| 19 |          |         | 322    |      |       |           |
| 20 |          |         | 331    |      |       |           |
| 21 |          |         | 335    |      |       |           |
| 22 |          |         | 441    |      |       |           |
| 23 |          |         | 443    |      |       |           |
| 24 |          |         | 446    |      |       |           |
| 25 |          |         | 450    |      |       |           |
| 26 |          |         | 455    |      |       |           |
| 27 |          |         | 462    |      |       |           |
| 28 |          |         | 468    |      |       |           |
| 29 |          |         | 473    |      |       |           |
| 30 |          |         | 479    |      |       |           |
| 31 |          |         | 482    |      |       |           |
| 32 |          |         | 486    |      |       |           |
| 33 |          |         | 497    |      |       |           |
| 34 |          |         | 509    |      |       |           |
| 35 |          |         | 513    |      |       |           |
| 36 |          |         | 593    |      |       |           |
| 37 |          |         | 597    |      |       |           |

B.5 Metrics for Malta Legislation in MiCA

Table B.10: Malta Legislation count in MiCA and Annexes

|                            | MiCA | MiCA Annexes |
|----------------------------|------|--------------|
| ITAS Act 5 most freq.words | 338  | 5            |
| MDIA Act 5 most freq.words | 334  | 3            |
| VFA Act 5 most freq.words  | 607  | 44           |



# Qualitative Coding Results

```
1 '1' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM
   \_Masters/Study/Mast... '\
2 '2' ' Created by RQDA at 2021-09-04 02:02:25 '\
3 '3' ' DLT '\
4 '4' ' agen '\
5 '5' ' amendments '\
6 '6' ' audit '\
7 '7' ' crime '\
8 '8' ' crypto '\
9 '9' ' duty '\
10 '10' ' enable '\
11 '11' ' enforce '\
12 '12' ' exempt '\
13 '13' ' fine '\
14 '14' ' framework '\
15 '15' ' holder '\
16 '16' ' issuance '\
17 '17' ' licen '\
18 '18' ' monitor '\
19 '19' ' oblige '\
20 '20' ' record '\
21 '21' ' register '\
22 '22' ' report '\
23 '23' ' responsible '\
24 '24' ' review '\
25 '25' ' service\_provider '\
26 '26' ' virtual '\
27 '27' ' virtual\_financial\_asset '\
28 '28' ' whitepaper '
29 '29' ' 15 Codings of /'DLT/' from 3 files. '\
30 '30' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 8352: 8426] '\
31 '31' ' to promote the development of crypto-assets and the wider use of dlt, it/ '\
32 '32' ' Back '\
33 '33' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 1762: 1976] '\
34 '34' ' on distributed ledger technology (dlt) market infrastructures2, a proposal for digital/ '\
35 '35' ' /'25/' /' operational resilience3, and a proposal to clarify or amend certain related eu financial/'
   '\
36 '36' ' /'26/' /' services rules4./ '\
37 '37' ' Back '\
38 '38' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 15188: 16396] '\
39 '39' ' stablish clear rules for the use of crypto-assets.21 this proposal is consistent with the sme/ '\
40 '40' ' /'185/' /' strategy adopted on 10 march 2020, which also highlights dlt and crypto-assets as/ '\
41 '41' ' /'186/' /' innovations that can enable smes to engage directly with investors.22/ '\
42 '42' '1 of 218
   21, 1:01 am '\
   6/09/20
43 '43' '
44 '44' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
   UoM\_Masters/Study/Mast... '\
45 '45' ' /'187/' /' finally, the proposal is fully in line with the recommendation in the security union
   strategy/ '\
46 '46' ' /'188/' /' for the development of a legislative framework in crypto-assets given the growing effect of
   / '\
47 '47' ' /'189/' /' these new technologies on how financial assets are issued, exchanged, shared and accessed.2
   3/ '\
48 '48' ' /'190/' /' 2. legal basis, subsidiarity and proportionality/ '\
49 '49' ' /'191/' /' legal basis/ '\
50 '50' ' /'192/' /' the proposal is based on article 114 tfeu, which confers on the european institutions the/'
   '\
51 '51' ' /'193/' /' competence to lay down appropriate provisions for the approximation of laws of the member/'
   '\
52 '52' ' /'194/' /' states that have as their objective the establishment and functioning of the internal
   market./ '\
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53 '53' ' ' '195/' ' the proposal aims to remove obstacles to establishment and improve the functioning of the/'
    '\\
54 '54' ' '196/' ' internal market for financial services by ensuring that the applicable rules are fully/'\\
55 '55' ' '197/' ' harmonised.'
56 '56' ' Back'\\
57 '57' ' EUComm\_Proposal\_MiCA\_2020\_0265 [150545:156477]'\\
58 '58' ' article 3/'\\
59 '59' ' '1650/' ' definitions/'\\
60 '60' ' '1651/' ' 1. for the purposes of this regulation, the following definitions apply:'\\
61 '61' ' '1652/' ' (1) distributed ledger technology or dlt means a type of technology that/'\\
62 '62' ' '1653/' ' support the distributed recording of encrypted data;'\\
63 '63' ' '1654/' ' (2) crypto-asset means a digital representation of value or rights which may be/'\\
64 '64' ' '1655/' ' transferred and stored electronically, using distributed ledger technology or/'\\
65 '65' ' '1656/' ' similar technology;'\\
66 '66' ' '1657/' ' (3) asset-referenced token means a type of crypto-asset that purports to maintain/'\\
67 '67' ' '1658/' ' a stable value by referring to the value of several fiat currencies that are legal/'\\
68 '68' ' '1659/' ' tender, one or several commodities or one or several crypto-assets, or a/'\\
69 '69' ' '1660/' ' combination of such assets;'\\
70 '70' ' '1661/' ' (4) electronic money token or e-money token means a type of crypto-asset the/'\\
71 '71' ' '1662/' ' main purpose of which is to be used as a means of exchange and that purports/'\\
72 '72' ' '1663/' ' to maintain a stable value by referring to the value of a fiat currency that is/'\\
73 '73' ' '1664/' ' legal tender;'\\
74 '74' ' '1665/' ' (5) utility token means a type of crypto-asset which is intended to provide digital/'\\
75 '75' ' 2 of 218

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6/09/20

21, 1:01 am'\\

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76 '76' ' '
77 '77' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM
    \\_Masters/Study/Mast...'\\
78 '78' ' '1666/' ' access to a good or service, available on dlt, and is only accepted by the/'\\
79 '79' ' '1667/' ' issuer of that token;'\\
80 '80' ' '1668/' ' (6) issuer of crypto-assets means a legal person who offers to the public any type/'\\
81 '81' ' '1669/' ' of crypto-assets or seeks the admission of such crypto-assets to a trading/'\\
82 '82' ' '1670/' ' platform for crypto-assets;'\\
83 '83' ' '1671/' ' (7) offer to the public means an offer to third parties to acquire a crypto-asset in/'
    '\\
84 '84' ' '1672/' ' exchange for fiat currency or other crypto-assets;'\\
85 '85' ' '1673/' ' (8) crypto-asset service provider means any person whose occupation or business/'\\
86 '86' ' '1674/' ' is the provision of one or more crypto-asset services to third parties on a/'\\
87 '87' ' '1675/' ' professional basis;'\\
88 '88' ' '1676/' ' (9) crypto-asset service means any of the services and activities listed below/'\\
89 '89' ' '1677/' ' relating to any crypto-asset;'\\
90 '90' ' '1678/' ' (a) the custody and administration of crypto-assets on behalf of third parties;'\\
91 '91' ' '1679/' ' (b) the operation of a trading platform for crypto-assets;'\\
92 '92' ' '1680/' ' (c) the exchange of crypto-assets for fiat currency that is legal tender;'\\
93 '93' ' '1681/' ' (d) the exchange of crypto-assets for other crypto-assets;'\\
94 '94' ' '1682/' ' (e) the execution of orders for crypto-assets on behalf of third parties;'\\
95 '95' ' '1683/' ' (f) placing of crypto-assets;'\\
96 '96' ' '1684/' ' (g) the reception and transmission of orders for crypto-assets on behalf of/'\\
97 '97' ' '1685/' ' third parties;'\\
98 '98' ' '1686/' ' (h) providing advice on crypto-assets;'\\
99 '99' ' '1687/' ' en 34 en/'\\
100 '100' ' '1688/' ' /'\\
101 '101' ' '1689/' ' (10) the custody and administration of crypto-assets on behalf of third parties /'\\
102 '102' ' '1690/' ' means safekeeping or controlling, on behalf of third parties, crypto-assets or/'\\
103 '103' ' '1691/' ' the means of access to such crypto-assets, where applicable in the form of/'\\
104 '104' ' '1692/' ' private cryptographic keys;'\\
105 '105' ' '1693/' ' (11) the operation of a trading platform for crypto-assets means managing one or/'\\
106 '106' ' '1694/' ' more trading platforms for crypto-assets, within which multiple third-party/'\\
107 '107' ' '1695/' ' buying and selling interests for crypto-assets can interact in a manner that/'\\
108 '108' ' 3 of 218

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109 '109' ' '
110 '110' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
    UoM\_Masters/Study/Mast...'\\
111 '111' ' '1696/' ' results in a contract, either by exchanging one crypto-asset for another or a/'\\
112 '112' ' '1697/' ' crypto-asset for fiat currency that is legal tender;'\\
113 '113' ' '1698/' ' (12) the exchange of crypto-assets for fiat currency means concluding purchase or/'\\
114 '114' ' '1699/' ' sale contracts concerning crypto-assets with third parties against fiat currency/'\\
115 '115' ' '1700/' ' that is legal tender by using proprietary capital;'\\
116 '116' ' '1701/' ' (13) the exchange of crypto-assets for other crypto-assets means concluding/'\\
117 '117' ' '1702/' ' purchase or sale contracts concerning crypto-assets with third parties against/'\\
118 '118' ' '1703/' ' other crypto-assets by using proprietary capital;'\\
119 '119' ' '1704/' ' (14) the execution of orders for crypto-assets on behalf of third parties means/'\\
120 '120' ' '1705/' ' concluding agreements to buy or to sell one or more crypto-assets or to/'\\
121 '121' ' '1706/' ' subscribe for one or more crypto-assets on behalf of third parties;'\\

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122 '122' ' /'1707/' /' (15) placing of crypto-assets means the marketing of newly-issued crypto-assets/' '\

123 '123' ' /'1708/' /' or of crypto-assets that are already issued but that are not admitted to trading/' '\

124 '124' ' /'1709/' /' on a trading platform for crypto-assets, to specified purchasers and which does/' '\

125 '125' ' /'1710/' /' not involve an offer to the public or an offer to existing holders of the issuer s/' '\

126 '126' ' /'1711/' /' crypto-assets;/' '\

127 '127' ' /'1712/' /' (16) the reception and transmission of orders for crypto-assets on behalf of third/' '\

128 '128' ' /'1713/' /' parties means the reception from a person of an order to buy or to sell one or/' '\

129 '129' ' /'1714/' /' more crypto-assets or to subscribe for one or more crypto-assets and the/' '\

130 '130' ' /'1715/' /' transmission of that order to a third party for execution;/' '\

131 '131' ' /'1716/' /' (17) providing advice on crypto-assets means offering, giving or agreeing to give/' '\

132 '132' ' /'1717/' /' personalised or specific recommendations to a third party, either at the third/' '\

133 '133' ' /'1718/' /' party s request or on the initiative of the crypto-asset service provider/' '\

134 '134' ' /'1719/' /' providing the advice, concerning the acquisition or the sale of one or more/' '\

135 '135' ' /'1720/' /' crypto-assets, or the use of crypto-asset services;/' '\

136 '136' ' Back'\

137 '137' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [551843:552627] '\

138 '138' ' 1.4.1. general objective(s)/' '\

139 '139' ' /'6308/' /' this initiative has four general objectives. the first is to provide legal clarity and certainty to/' '\

140 '140' ' /'6309/' /' promote the safe development of crypto-assets and use of dlt in financial services. secondly,/' '\

141 '141' ' 4 of 218  
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142 '142' ' '

143 '143' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\

144 '144' ' /'6310/' /' the initiative should support innovation and fair competition by creating an enabling/' '\

145 '145' ' /'6311/' /' framework for the issuance and provision of services related to crypto-assets. the third/' '\

146 '146' ' /'6312/' /' objective is to ensure a high level of consumer and investor protection and market integrity,/' '\

147 '147' ' /'6313/' /' and the fourth is to address potential financial stability and monetary policy risks that could/' '\

148 '148' ' /'6314/' /' arise from an increased use of crypto-assets and dlt./' '\

149 '149' ' Back'\

150 '150' ' MaltaParl\\_2018\\_ITAS\\_Act [ 30236: 30573] '\

151 '151' ' (5) in the case of -/' '\

152 '152' ' /'408/' /' (a) dlts or other innovative technology/' '\

153 '153' ' /'409/' /' arrangements which are in operation, or at a very advanced/' '\

154 '154' ' /'410/' /' stage of development, on the date of the coming into force of/' '\

155 '155' ' /'411/' /' this act; and/' '\

156 '156' ' Back'\

157 '157' ' MaltaParl\\_2018\\_ITAS\\_Act [ 53990: 54505] '\

158 '158' ' when an innovative technology arrangement is/' '\

159 '159' ' /'718/' /' made up of several constituent parts – dlt and smart contracts/' '\

160 '160' ' /'719/' /' – which may each obtain a certification under this act, it shall/' '\

161 '161' ' /'720/' /' be lawful for all applicants to designate the main constituent/' '\

162 '162' ' /'721/' /' part and thereafter all the ancillary parts shall be deemed to/' '\

163 '163' ' /'722/' /' satisfy the requirements of this article if the engagement of the/' '\

164 '164' ' /'723/' /' resident agent with reference to the main constituent part/' '\

165 '165' ' Back'\

166 '166' ' MaltaParl\\_2018\\_ITAS\\_Act [ 70724: 72970] '\

167 '167' ' innovative technology arrangements/' '\

168 '168' ' /'938/' /' the following shall be considered to be innovative technology/' '\

169 '169' ' /'939/' /' arrangements for the purposes of this act:/' '\

170 '170' ' /'940/' /' 1. software and architectures which are used in designing/' '\

171 '171' ' /'941/' /' and delivering dlt which ordinarily, but not necessarily:/' '\

172 '172' ' /'942/' /' (a) uses a distributed, decentralized, shared/' '\

173 '173' ' /'943/' /' and, or replicated ledger;/' '\

174 '174' ' /'944/' /' (b) may be public or private or hybrids thereof;/' '\

175 '175' ' 5 of 218  
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176 '176' ' '

177 '177' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\

178 '178' ' /'945/' /' (c) is permissioned or permissionless or/' '\

179 '179' ' /'946/' /' hybrids thereof;/' '\

180 '180' ' /'947/' /' (d) is secure to a high level against retrospective/' '\

181 '181' ' /'948/' /' tampering, such that the history of transactions cannot/' '\

182 '182' ' /'949/' /' be replaced;/' '\

183 '183' ' /'950/' /' (e) is protected with cryptography; and/' '\

184 '184' ' /'951/' /' (f) is auditable;/' '\

185 '185' ' /'952/' /' 2. software and other architectures, not necessarily used in/' '\

186 '186' ' /'953/' /' the context of dlt, smart contracts and related applications as well/' '\

187 '187' ' /'954/' /' as other similar arrangements, but which are used or meant to be/' '\

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188 '188' ' ' /'955/' /' used, as a stand-alone or as part of a solution in sectors and areas/' '\
189 '189' ' ' /'956/' /' which are deemed to be of a risky or critical nature, where their/' '\
190 '190' ' ' /'957/' /' failure or misuse could amongst other things result in loss of life./' '\
191 '191' ' ' /'958/' /' grave prejudice to the well-being and rights of natural persons./' '\
192 '192' ' ' /'959/' /' significant asset loss or damage and significant damage to the/' '\
193 '193' ' ' /'960/' /' environment./' '\
194 '194' ' ' /'961/' /' 3. smart contracts and related applications, including/' '\
195 '195' ' ' /'962/' /' decentralised autonomous organisations, as well as other similar/' '\
196 '196' ' ' /'963/' /' arrangements;/' '\
197 '197' ' ' /'964/' /' 4. any other innovative technology arrangement which may/' '\
198 '198' ' ' /'965/' /' be designated by the minister, on the recommendation of the/' '\
199 '199' ' ' Back'\
200 '200' ' ' MaltaPart\_2018\_ITAS\_Act [ 83076: 83663]'\
201 '201' ' ' in/' '\
202 '202' ' ' /'1104/' /' such cases whoever has the power to decide which underlying/' '\
203 '203' ' ' /'1105/' /' blockchain or dlt software to use; and/' '\
204 '204' ' ' /'1106/' /' (d) a person having general governance functions in/' '\
205 '205' ' ' /'1107/' /' relation to the arrangement, duties under any rules of an/' '\
206 '206' ' ' /'1108/' /' exchange, duties of compliance with any mandatory laws/' '\
207 '207' ' ' /'1109/' /' applicable to the context and other fiduciary obligations listed/' '\
208 '208' '6 of 218
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209 '209' ' '
210 '210' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
211 '211' ' ' /'1110/' /' in article 1124a of the civil code. (cap. 16.)/' '\
212 '212' ' ' Back'\
213 '213' ' ' MaltaPart\_2018\_MDIA\_Act [ 4543: 4978]'\
214 '214' ' ' /'dlt/' /' distributed ledger technology/' /' decentralised ledger/' '\
215 '215' ' ' /'63/' /' technology/' means a database system in which information is/' '\
216 '216' ' ' /'64/' /' recorded, consensually shared, and synchronised across a network of/' '\
217 '217' ' ' /'65/' /' multiple nodes, or any variations thereof, as further described in the/' '\
218 '218' ' ' /'66/' /' first schedule of the innovative technology arrangements and/' '\
219 '219' ' ' Back'\
220 '220' ' ' MaltaPart\_2018\_MDIA\_Act [ 5167: 6323]'\
221 '221' ' ' /'innovative technology arrangements/' means the intrinsic/' '\
222 '222' ' ' /'71/' /' elements including software, codes, computer protocols and other/' '\
223 '223' ' ' /'72/' /' architectures which are used in the context of dlt, smart contracts/' '\
224 '224' ' ' /'73/' /' and related applications as well as other arrangements as may be/' '\
225 '225' ' ' /'74/' /' further defined in the innovative technology arrangements and/' '\
226 '226' ' ' /'75/' /' cap. 592. services act;/' '\
227 '227' ' ' /'76/' /' /'innovative technology authorisation' includes any form of/' '\
228 '228' ' ' /'77/' /' recognition issued under this act, or any special law which the/' '\
229 '229' ' ' /'78/' /' authority is entitled to administer or enforce, whether with reference to/' '\
230 '230' ' ' /'79/' /' innovative technology arrangements or with reference to innovative/' '\
231 '231' ' ' /'80/' /' technology services;/' '\
232 '232' ' ' /'81/' /' 'innovative technology services' are those services in relation/' '\
233 '233' ' ' /'82/' /' to innovative technology arrangements as are designated in the/' '\
234 '234' ' ' /'83/' /' cap. 592. innovative technology arrangements and services act;/' '\
235 '235' ' ' Back'\
236 '236' ' ' MaltaPart\_2018\_MDIA\_Act [ 26482: 26865]'\
237 '237' ' ' (2) it shall be the duty of the authority to exercise such/' '\
238 '238' ' ' /'350/' /' /\
239 '239' ' ' /'351/' /' malta digital innovation authority [ cap. 591. 9/' '\
240 '240' ' ' /'352/' /' supervisory and regulatory functions in the field of innovative/' '\
241 '241' ' ' /'353/' /' technology arrangements and innovative technology services as may/' '\
242 '242' '7 of 218
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243 '243' ' '
244 '244' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
245 '245' ' ' /'354/' /' from time to time be assigned to the authority by any special law./' '\
246 '246' ' ' Back'\
247 '247' ' ' MaltaPart\_2018\_MDIA\_Act [ 7497: 8433]'\
248 '248' ' ' /'approval, confirmation, certification by or registration with the/' '\
249 '249' ' ' /'103/' /' authority in terms of any special law which the authority is entitled/' '\
250 '250' ' ' /'104/' /' to administer or enforce and the terms 'authorisation' or/' '\
251 '251' ' ' /'105/' /' 'authorisation holder' in the provisions of this act shall be construed/' '\
252 '252' ' ' /'106/' /' as a reference to the relevant form of recognition, or the holder/' '\
253 '253' ' ' /'107/' /' thereof, as the case may be;/' '\
254 '254' ' ' /'108/' /' 'smart contract' means a form of innovative technology/' '\
255 '255' ' ' /'109/' /' arrangement consisting of:/' '\
256 '256' ' ' /'110/' /' (a) a computer protocol; and, or/' '\
257 '257' ' ' /'111/' /' (b) an agreement concluded wholly or partly in an/' '\
258 '258' ' ' /'112/' /' electronic form, which is automatable and enforceable by/' '\
259 '259' ' ' /'113/' /' execution of computer code, although some parts may require/' '\
260 '260' ' ' /'114/' /' human input and control and which may be also enforceable by/' '\

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261 '261' ' ' /'115/' /' ordinary legal methods or by a mixture of both;/' '\
262 '262' ' ' Back '\
263 '263' ' ' MaltaParl\_2018\_MDIA\_Act [ 14515: 14861] '\
264 '264' ' ' (i) to promote, and if required enforce, ethical and/' '\
265 '265' ' ' /'199/' /'legitimate criteria in the design and use of innovative/' '\
266 '266' ' ' /'200/' /'technology arrangements and any application, software or/' '\
267 '267' ' ' /'201/' /'derivative product from it or intrinsically part of or connected/' '\
268 '268' ' ' /'202/' /'to it as well as to ensure quality of services and security/' '\
269 '269' ' ' /'203/' /'therein;/' '\
270 '270' ' ' Back '\
271 '271' ' ' MaltaParl\_2018\_MDIA\_Act [181182:182184] '\
272 '272' ' ' lay down rules which are to apply in case of/' '\
273 '273' ' ' /'2331/' /' forking at the protocol, networking and, or application layer of/' '\
274 '274' ' ' /'2332/' /' any innovative technology arrangement, or material/' '\
275 '275' ' ' /'2333/' /' implementation thereof, any transfers of controlling or/' '\
276 '276' '8 of 218
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277 '277' ' '
278 '278' 'Codings created by RQDA. file ://C:/Users/benwa/Documents/Studium
        /UoM\_Masters/Study/Mast... '\
279 '279' ' ' /'2334/' /' qualifying interests, any merger or division thereof, any/' '\
280 '280' ' ' /'2335/' /' migration to malta or from malta, any reorganisation or/' '\
281 '281' ' ' /'2336/' /' restructuring and any such events, whether the innovative/' '\
282 '282' ' ' /'2337/' /' technology arrangement is owned or controlled by a legal/' '\
283 '283' ' ' /'2338/' /' organisation or not, and determine, in the particular case, the/' '\
284 '284' ' ' /'2339/' /' manner in which the rules applicable to legal organisations,/' '\
285 '285' ' ' /'2340/' /' including segregated cells thereof, apply to such events even/' '\
286 '286' ' ' /'2341/' /' when such legal organisations own or control innovative/' '\
287 '287' ' ' /'2342/' /' technology arrangements;/' '\
288 '288' ' ' Back '\
289 '289' ' ' 19 Codings of /'agen/' from 4 files.' '\
290 '290' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [567699:568914] '\
291 '291' ' ' clear rules for the use of crypto-assets. lastly, this initiative is consistent with the sme/' '\
292 '292' ' ' /'6474/' /' strategy adopted on 10 march 2020, which also highlights dlt and crypto-assets as/' '\
293 '293' ' ' /'6475/' /' innovations that can enable smes to engage directly with investors./' '\
294 '294' ' ' /'6476/' /' the legislative proposal would have a very limited impact on the mff, as it foresees/' '\
295 '295' ' ' /'6477/' /' additional union contribution to esma stemming from the additional 2 ftes that the/' '\
296 '296' ' ' /'6478/' /' authority would receive to implement the additional tasks conferred by the legislators.
the/' '\
297 '297' ' ' /'6479/' /' new activities to be undertaken by the eba would be fully fee funded./' '\
298 '298' ' ' /'6480/' /' this will translate into a proposal to increase the authorised staff of the agency during
the/' '\
299 '299' ' ' /'6481/' /' future annual budgetary procedure. the agency will continue to work towards maximising/' '\
300 '300' ' ' /'6482/' /' synergies and efficiency gains (inter alia via it systems), and closely monitor the
additional/' '\
301 '301' ' ' /'6483/' /' workload associated with this proposal, which would be reflected in the level of
authorised/' '\
302 '302' ' ' /'6484/' /' staff requested by the agency in the annual budgetary procedure./' '\
303 '303' ' ' Back '\
304 '304' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [572430:572959] '\
305 '305' ' ' payment modalities and the control strategy proposed/' '\
306 '306' ' ' /'6531/' /' management will take place through the three european supervisory authorities (esas)./' '\
307 '307' '9 of 218
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308 '308' ' '
309 '309' 'Codings created by RQDA. file ://C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
310 '310' ' ' /'6532/' /' as regards the control strategy, the three esas work closely with the commission s
internal/' '\
311 '311' ' ' /'6533/' /' audit service to ensure that appropriate standards are met in all areas of internal
control/' '\
312 '312' ' ' /'6534/' /' framework. those arrangements will also apply to the role of the agencies in respect of
the/' '\
313 '313' ' ' /'6535/' /' current proposal./' '\
314 '314' ' ' Back '\
315 '315' ' ' MaltaParl\_2018\_ITAS\_Act [ 50957: 51877] '\
316 '316' ' ' /'appointment of 15. (1) when the persons making an application for any/' '\
317 '317' ' ' /'678/' /'resident agent./' '\
318 '318' ' ' /'679/' /' form of recognition are not ordinarily resident in malta, such/' '\
319 '319' ' ' /'680/' /' applicant is required to appoint in writing prior to registration, a/' '\
320 '320' ' ' /'681/' /' resident agent who -/' '\
321 '321' ' ' /'682/' /' (a) is habitually resident in malta;/' '\
322 '322' ' ' /'683/' /' (b) is not interdicted or incapacitated or is an/' '\
323 '323' ' ' /'684/' /' undischarged bankrupt;/' '\
324 '324' ' ' /'685/' /' (c) has not been convicted of any of the crimes/' '\

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325 '325' ' /'686/' /' affecting public trust or of theft or of fraud or money/' '\
326 '326' ' /'687/' /' laundering or of knowingly receiving property obtained by/' '\
327 '327' ' /'688/' /' theft or fraud; and/' '\
328 '328' ' Back'\
329 '329' ' MaltaParl\_2018\_ITAS\_Act [ 52811: 53067]'\
330 '330' ' (3) the holder of an innovative technology authorisation/' '\
331 '331' ' /'701/' /' shall ensure that it has a validly appointed resident agent at all times/' '\
332 '332' ' /'702/' /' when there is no person involved in the administration of the holder/' '\
333 '333' ' Back'\
334 '334' ' MaltaParl\_2018\_ITAS\_Act [ 55075: 55394]'\
335 '335' ' (5) the authority may at any time refuse or reject any/' '\
336 '336' ' /'733/' /' notice of an appointment which it considers is not in compliance with/' '\
337 '337' ' /'734/' /' this act and in such case the applicant or the innovative technology/' '\
338 '338' ' /'735/' /' authorisation holder, as the case may be, shall immediately appoint/' '\
339 '339' ' /'736/' /' another resident agent./' '\
340 '340' ' Back'\
341 '341' '10 of 218
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342 '342' ' '
343 '343' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
344 '344' ' MaltaParl\_2018\_ITAS\_Act [ 53990: 54505]'\
345 '345' ' when an innovative technology arrangement is/' '\
346 '346' ' /'718/' /' made up of several constituent parts – dlt and smart contracts/' '\
347 '347' ' /'719/' /' – which may each obtain a certification under this act, it shall/' '\
348 '348' ' /'720/' /' be lawful for all applicants to designate the main constituent/' '\
349 '349' ' /'721/' /' part and thereafter all the ancillary parts shall be deemed to/' '\
350 '350' ' /'722/' /' satisfy the requirements of this article if the engagement of the/' '\
351 '351' ' /'723/' /' resident agent with reference to the main constituent part/' '\
352 '352' ' Back'\
353 '353' ' MaltaParl\_2018\_ITAS\_Act [ 55465: 56322]'\
354 '354' ' agent, on functions of the/' '\
355 '355' ' /'738/' /' resident agent./' '\
356 '356' ' /'739/' /' behalf of the innovative technology authorisation holder, to -/' '\
357 '357' ' /'740/' /' (a) act as the channel of communication between the/' '\
358 '358' ' /'741/' /' innovative technology authorisation holder and the authority/' '\
359 '359' ' /'742/' /' and other maltese government departments and authorities;/' '\
360 '360' ' /'743/' /' (b) sign and file with the authority and other/' '\
361 '361' ' /'744/' /' maltese government departments and authorities all/' '\
362 '362' ' /'745/' /' declarations and forms required in terms of maltese law;/' '\
363 '363' ' /'746/' /' (c) act as the judicial representative of the/' '\
364 '364' ' /'747/' /' innovative technology authorisation holder for judicial/' '\
365 '365' ' /'748/' /' proceedings in malta, and any notice whether by the authority/' '\
366 '366' ' Back'\
367 '367' ' MaltaParl\_2018\_ITAS\_Act [ 56852: 57534]'\
368 '368' ' the resident agent shall not be personally liable for non-/' '\
369 '369' ' /'757/' /' compliance by the innovative technology authorisation holder with/' '\
370 '370' ' /'758/' /' any law, nor for any misrepresentation made in any submissions or/' '\
371 '371' ' /'759/' /' documents issued by the applicant, even if authenticated by the/' '\
372 '372' ' /'760/' /' resident agent for the purposes of the application or any other law./' '\
373 '373' ' /'761/' /' unless the resident agent has personally undertaken such liability for/' '\
374 '374' '11 of 218
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375 '375' ' '
376 '376' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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377 '377' ' /'762/' /' the compliance in writing or has himself wilfully or recklessly made/' '\
378 '378' ' /'763/' /' a false declaration./' '\
379 '379' ' Back'\
380 '380' ' MaltaParl\_2018\_ITAS\_Act [ 60993: 61535]'\
381 '381' ' (2) the resident agent shall be deemed to have all the/' '\
382 '382' ' /'808/' /' necessary powers to provide binding undertakings to the authority on/' '\
383 '383' ' /'809/' /' matters relating to the recognition by the authority on behalf of the/' '\
384 '384' ' /'810/' /' innovative technology authorisation holder and the authority is/' '\
385 '385' ' /'811/' /' authorised to act accordingly; provided that nothing in this act shall/' '\
386 '386' ' /'812/' /' imply any power of a resident agent to execute any document relating/' '\
387 '387' ' /'813/' /' to an undertaking involving liability unless expressly authorised to do/' '\
388 '388' ' /'814/' /' so in writing./' '\
389 '389' ' Back'\
390 '390' ' MaltaParl\_2018\_ITAS\_Act [ 63743: 64409]'\
391 '391' ' (3) the authority shall have the power to appoint, on a/' '\
392 '392' ' /'847/' /' limited and temporary basis, a resident agent on behalf of the/' '\
393 '393' ' /'848/' /' innovative technology authorisation holder in case of failure of the/' '\
394 '394' ' /'849/' /' innovative technology authorisation holder to appoint such an agent/' '\
395 '395' ' /'850/' /' and such resident agent shall seek to establish contact with the/' '\
396 '396' ' /'851/' /' persons who have duties in relation to the governance of the/' '\

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397 '397' ' /'852/' /'innovative technology arrangement so they can appoint a resident/' '\
398 '398' ' /'853/' /' agent of their choice:/' '\
399 '399' ' Back'\
400 '400' ' MaltaParl\_2018\_ITAS\_Act [ 64448: 64645]'\
401 '401' ' provided that in such case and that in sub-article (4), the/' '\
402 '402' ' /'855/' /' appointee shall be an advocate with a valid warrant to practice law in/' '\
403 '403' ' /'856/' /' malta./' '\
404 '404' ' Back'\
405 '405' ' MaltaParl\_2018\_ITAS\_Act [ 68075: 68651]'\
406 '406' ' further regulate resident agents and their /' '\
407 '407' ' /'902/' /' /' '\
408 '408' '12 of 218

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409 '409' '
410 '410' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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411 '411' ' /'903/' /' functions and duties and prescribe how such functions are to /' '\
412 '412' ' /'904/' /' be carried out keeping in view the functions and duties of a /' '\
413 '413' ' /'905/' /' cap. 590./' '\
414 '414' ' /'906/' /' vfa agent under the virtual financial assets act, when such/' '\
415 '415' ' /'907/' /' person is appointed under and for the purposes of such act;/' '\
416 '416' ' Back'\
417 '417' ' MaltaParl\_2018\_MDIA\_Act [ 41005: 41363]'\
418 '418' ' (3) the authority may exercise any one or more of its/' '\
419 '419' ' /'542/' /'functions either directly or through any of its officers or employees or/' '\
420 '420' ' /'543/' /'through an agency authorised for that purpose, or through a/' '\
421 '421' ' /'544/' /'contractor or other person with whom an agreement for the/' '\
422 '422' ' /'545/' /'performance of any one or more of such functions has been entered/' '\
423 '423' ' /'546/' /'into:/' '\
424 '424' ' Back'\
425 '425' ' MaltaParl\_2018\_MDIA\_Act [ 26482: 26865]'\
426 '426' ' (2) it shall be the duty of the authority to exercise such/' '\
427 '427' ' /'350/' /' '\
428 '428' ' /'351/' /' malta digital innovation authority [ cap. 591. 9/' '\
429 '429' ' /'352/' /'supervisory and regulatory functions in the field of innovative/' '\
430 '430' ' /'353/' /'technology arrangements and innovative technology services as may/' '\
431 '431' ' /'354/' /'from time to time be assigned to the authority by any special law./' '\
432 '432' ' Back'\
433 '433' ' MaltaParl\_2018\_VFA\_Act [ 21579: 21810]'\
434 '434' ' (b) vfa agents shall, upon the anniversary of the date of/' '\
435 '435' ' /'311/' /' the granting of registration, pay the annual supervisory fee/' '\
436 '436' ' /'312/' /' established in the third column of the schedule:/' '\
437 '437' ' Back'\
438 '438' ' MaltaParl\_2018\_VFA\_Act [ 22380: 22909]'\
439 '439' ' vfaa class 1 licence holders authorised to receive and transmit/' '\
440 '440' ' /'321/' /' orders and/ or provide investment advice in relation/' '\
441 '441' ' /'322/' /' to one or more virtual financial assets and/ or the/' '\
442 '442' '13 of 218

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443 '443' '
444 '444' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast... '\
445 '445' ' /'323/' /' placing of virtual financial assets. class 1 licence/' '\
446 '446' ' /'324/' /' holders are not authorised to hold or control clients /' '\
447 '447' ' /'325/' /' assets or money./' '\
448 '448' ' Back'\
449 '449' ' MaltaParl\_2018\_VFA\_Act [ 23023: 23394]'\
450 '450' ' vfaa class 2 licence holders authorised to provide any vfa/' '\
451 '451' ' /'329/' /' service but not to operate a vfa exchange or deal/' '\
452 '452' ' /'330/' /' for their own account. class 2 licence holders may/' '\
453 '453' ' /'331/' /' hold or control clients assets or money in/' '\
454 '454' ' /'332/' /' conjunction with the provision of a vfa service./' '\
455 '455' ' Back'\
456 '456' ' MaltaParl\_2018\_VFA\_Act [ 38664: 40344]'\
457 '457' ' 15. (1) a subject person may deposit virtual financial assets deposit of client/' '\
458 '458' ' /'532/' /' virtual financial/' '\
459 '459' ' /'533/' /'held by it on behalf of its clients into an account or accounts opened assets with third/' '\
460 '460' ' /'534/' /'with a third party: parties./' '\
461 '461' ' /'535/' /' provided that such third party shall:/' '\
462 '462' ' /'536/' /' (a) hold either a licence under this act to provide the/' '\
463 '463' ' /'537/' /' vfa service listed in paragraph 5 of the second schedule/' '\
464 '464' ' /'538/' /' thereto, or is exempt from licensing under regulation 4(1)(o); or/' '\
465 '465' ' /'539/' /' (b) be constituted in a recognised jurisdiction, provided/' '\
466 '466' ' /'540/' /' that the subject person shall disclose to its clients and to the/' '\

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467 '467' ' /'541/' /' authority , the arrangements that will be put in place to ensure/''\
468 '468' ' /'542/' /' adequate safekeeping of assets./'\
469 '469' ' /'543/' /' (2) the subject person shall exercise all due skill , care and/''\
470 '470' ' /'544/' /'/'\
471 '471' ' /'545/' /'b 3376/'\
472 '472' ' /'546/' /' diligence in the selection , appointment and periodic review of the third/'\
473 '473' ' /'547/' /' party and of the arrangements for the holding and safekeeping of those/'\
474 '474' ' /'548/' /' virtual financial assets./'\
475 '475' '14 of 218

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476 '476' ''
477 '477' 'Codings created by RQDA. file :///C:/Users/benwa/Documents/Studium/
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478 '478' ' /'549/' /' (3) the subject person shall , in particular , take into account the/'\
479 '479' ' /'550/' /' expertise and market reputation of the third party as well as any legal/'\
480 '480' ' /'551/' /' requirements or market practices related to the holding of virtual/'\
481 '481' ' /'552/' /' financial assets that could adversely affect the rights of its clients./'\
482 '482' ' Back'\
483 '483' ' MaltaPart\_2018\_VFA\_Act [ 57316: 64253]'\
484 '484' ' /'775/' /' schedule/'\
485 '485' ' /'776/' /' (regulations 6 and 7)/'\
486 '486' ' /'777/' /' fees/'\
487 '487' ' /'778/' /' first column second column third column/'\
488 '488' ' /'779/' /' application/ supervisory/'\
489 '489' ' /'780/' /' notification fee fee/'\
490 '490' ' /'781/' /' /\
491 '491' ' /'782/' /' (a) whitepaper 8,000 2,000 upon the submission/'\
492 '492' ' /'783/' /' registration of the certificate of/'\
493 '493' ' /'784/' /' compliance/'\
494 '494' ' /'785/' /' (b) vfa agent/'\
495 '495' ' /'786/' /' appointed in terms 12,000 12,000/'\
496 '496' ' /'787/' /' of article 7 of the/'\
497 '497' ' /'788/' /' act/'\
498 '498' ' /'789/' /' appointed in terms 10,000 10,000/'\
499 '499' ' /'790/' /' of article 14 of the/'\
500 '500' ' /'791/' /' act/'\
501 '501' ' /'792/' /' appointed in terms 15,000 15,000/'\
502 '502' ' /'793/' /' of both articles 7/'\
503 '503' ' /'794/' /' and 14 of the act/'\
504 '504' ' /'795/' /'/'\
505 '505' ' /'796/' /'b 3364/'\
506 '506' ' /'797/' /' b 3382/'\
507 '507' ' /'798/' /' (c) licences/'\
508 '508' '15 of 218

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Mast... '\
511 '511' ' /'799/' /' vfaa class 1 6,000 for revenue/'\
512 '512' ' /'800/' /' up to 5,500/'\
513 '513' ' /'801/' /' 50,000/'\
514 '514' ' /'802/' /' further/'\
515 '515' ' /'803/' /' 700 per/'\
516 '516' ' /'804/' /' tranches of/'\
517 '517' ' /'805/' /' tranche or/'\
518 '518' ' /'806/' /' 50,000 up to/'\
519 '519' ' /'807/' /' part thereof/'\
520 '520' ' /'808/' /' a maximum of/'\
521 '521' ' /'809/' /' 1,000,000/'\
522 '522' ' /'810/' /' vfaa class 2 10,000 for revenue/'\
523 '523' ' /'811/' /' up to 9,000/'\
524 '524' ' /'812/' /' 250,000/'\
525 '525' ' /'813/' /' further/'\
526 '526' ' /'814/' /' 800 per/'\
527 '527' ' /'815/' /' tranches of/'\
528 '528' ' /'816/' /' tranche or/'\
529 '529' ' /'817/' /' 250,000 up to/'\
530 '530' ' /'818/' /' part thereof/'\
531 '531' ' /'819/' /' a maximum of/'\
532 '532' ' /'820/' /' 5,000,000/'\
533 '533' ' /'821/' /' vfaa class 3 14,000 for revenue/'\
534 '534' ' /'822/' /' up to 12,000/'\
535 '535' ' /'823/' /' 250,000/'\
536 '536' ' /'824/' /' further/'\
537 '537' ' /'825/' /' 800 per/'\

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538 '538' ' /'826/' /' tranches of/' '\\  
539 '539' ' /'827/' /' tranche or/' '\\  
540 '540' ' /'828/' /' 250,000 up to/' '\\  
541 '541' '16 of 218 6/09/2021, 1:0  
1 am' '\\  
542 '542' ''  
543 '543' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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544 '544' ' /'829/' /' part thereof/' '\\  
545 '545' ' /'830/' /' a maximum of/' '\\  
546 '546' ' /'831/' /' 50,000,000/' '\\  
547 '547' ' /'832/' /' vfaa class 4 24,000 for revenue/' '\\  
548 '548' ' /'833/' /' up to/' '\\  
549 '549' ' /'834/' /' 50,000/' '\\  
550 '550' ' /'835/' /' 1,000,000/' '\\  
551 '551' ' /'836/' /' further/' '\\  
552 '552' ' /'837/' /' tranches of/' '\\  
553 '553' ' /'838/' /' 1,000,000 up 5,000 per/' '\\  
554 '554' ' /'839/' /' to a maximum tranche or/' '\\  
555 '555' ' /'840/' /' of part thereof/' '\\  
556 '556' ' /'841/' /' 100,000,000/' '\\  
557 '557' ' /'842/' '\\  
558 '558' ' Back '\\  
559 '559' ' 6 Codings of /'amendments/' from 3 files. '\\  
560 '560' ' EUParL\\_Directive\\_AMLDIV\\_2015\\_849 [ 65340: 67341] '\\  
561 '561' ' article 2/' '\\  
562 '562' ' /'547/' /' 1. this directive shall apply to the following obliged entities:/' '\\  
563 '563' ' /'548/' /' (1) credit institutions;/' '\\  
564 '564' ' /'549/' /' (2) financial institutions;/' '\\  
565 '565' ' /'550/' /' (3) the following natural or legal persons acting in the exercise of their professional  
activities:/' '\\  
566 '566' ' /'551/' /' (a) auditors, external accountants and tax advisors;/' '\\  
567 '567' ' /'552/' /' (b) notaries and other independent legal professionals, where they participate, whether by  
acting '  
568 '568' ' on behalf of and/' '\\  
569 '569' ' /'553/' /' for their client in any financial or real estate transaction, or by assisting in the  
planning or carrying '  
570 '570' ' out of/' '\\  
571 '571' ' /'554/' /' transactions for their client concerning the:/' '\\  
572 '572' ' /'555/' /' (i) buying and selling of real property or business entities;/' '\\  
573 '573' '17 of 218  
6/09/2021, 1:01 am' '\\  
574 '574' ''  
575 '575' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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576 '576' ' /'556/' /' (ii) managing of client money, securities or other assets;/' '\\  
577 '577' ' /'557/' /' (iii) opening or management of bank, savings or securities accounts;/' '\\  
578 '578' ' /'558/' /' (1) council framework decision 2002/475/jha of 13 june 2002 on combating terrorism (oj l 1  
64,'  
579 '579' ' 22.6.2002, p. 3)./' '\\  
580 '580' ' /'559/' /' '\\  
581 '581' ' /'560/' /' l 141/84 en official journal of the european union 5.6.2015/' '\\  
582 '582' ' /'561/' /' (iv) organisation of contributions necessary for the creation, operation or management of '  
583 '583' ' companies;/' '\\  
584 '584' ' /'562/' /' (v) creation, operation or management of trusts, companies, foundations, or similar  
structures;/' '\\  
585 '585' ' /'563/' /' (c) trust or company service providers not already covered under point (a) or (b);/' '\\  
586 '586' ' /'564/' /' (d) estate agents;/' '\\  
587 '587' ' /'565/' /' (e) other persons trading in goods to the extent that payments are made or received in  
cash in an '  
588 '588' ' amount of/' '\\  
589 '589' ' /'566/' /' eur 10 000 or more, whether the transaction is carried out in a single operation or in  
several '  
590 '590' ' operations which/' '\\  
591 '591' ' /'567/' /' appear to be linked;/' '\\  
592 '592' ' /'568/' /' (f) providers of gambling services./' '\\  
593 '593' ' Back '\\  
594 '594' ' EUParL\\_Directive\\_AMLDIV\\_2015\\_849 [ 72390: 89224] '\\  
595 '595' ' article 3/' '\\  
596 '596' ' /'614/' /' for the purposes of this directive, the following definitions apply:/' '\\  
597 '597' ' /'615/' /' (1) credit institution means a credit institution as defined in point (1) of article 4(1  
) of regulation '  
598 '598' ' (eu) no 575/2013/' '\\  
599 '599' ' /'616/' /' of the european parliament and of the council (1), including branches thereof, as defined  
in point '  
600 '600' ' (17) of/' '\\  
601 '601' ' /'617/' /' article 4(1) of that regulation, located in the union, whether its head office is situated

within the'  
602 '602' ' union or in a/' '\\  
603 '603' ' /'618/' ' third country;/' '\\  
604 '604' ' /'619/' ' (2) financial institution means:/' '\\  
605 '605' ' /'620/' ' (a) an undertaking other than a credit institution, which carries out one or more of the  
activities '  
606 '606' ' listed in/' '\\  
607 '607' ' /'621/' ' points (2) to (12), (14) and (15) of annex i to directive 2013/36/eu of the european  
parliament and '  
608 '608' ' of the/' '\\  
609 '609' ' /'622/' ' council (2), including the activities of currency exchange offices (bureaux de change);/' '  
\\  
610 '610' '18 of 218

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611 '611' ' '  
612 '612' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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613 '613' ' /'623/' ' (b) an insurance undertaking as defined in point (1) of article 13 of directive 2009/138/  
ec of the '  
614 '614' ' european/' '\\  
615 '615' ' /'624/' ' parliament and of the council (3), insofar as it carries out life assurance activities  
covered by that '  
616 '616' ' directive;/' '\\  
617 '617' ' /'625/' ' (c) an investment firm as defined in point (1) of article 4(1) of directive 2004/39/ec of  
the '  
618 '618' ' european parliament/' '\\  
619 '619' ' /'626/' ' and of the council (4);/' '\\  
620 '620' ' /'627/' ' (d) a collective investment undertaking marketing its units or shares;/' '\\  
621 '621' ' /'628/' ' (e) an insurance intermediary as defined in point (5) of article 2 of directive 2002/92/ec  
of the '  
622 '622' ' european/' '\\  
623 '623' ' /'629/' ' parliament and of the council (5) where it acts with respect to life insurance and other  
investment—'  
624 '624' ' related/' '\\  
625 '625' ' /'630/' ' services, with the exception of a tied insurance intermediary as defined in point (7) of  
that article;/' '\\  
626 '626' ' /'631/' ' (f) branches, when located in the union, of financial institutions as referred to in  
points (a) to (e), '  
627 '627' ' whether their/' '\\  
628 '628' ' /'632/' ' head office is situated in a member state or in a third country;/' '\\  
629 '629' ' /'633/' ' (3) property means assets of any kind, whether corporeal or incorporeal, movable or  
immovable, '  
630 '630' ' tangible or/' '\\  
631 '631' ' /'634/' ' intangible, and legal documents or instruments in any form including electronic or digital  
, '  
632 '632' ' evidencing title to or an/' '\\  
633 '633' ' /'635/' ' interest in such assets;/' '\\  
634 '634' ' /'636/' ' (4) criminal activity means any kind of criminal involvement in the commission of the  
following '  
635 '635' ' serious crimes:/' '\\  
636 '636' ' /'637/' ' (a) acts set out in articles 1 to 4 of framework decision 2002/475/jha;/' '\\  
637 '637' ' /'638/' ' (b) any of the offences referred in article 3(1)(a) of the 1988 united nations convention  
against '  
638 '638' ' illicit traffic in/' '\\  
639 '639' ' /'639/' ' narcotic drugs and psychotropic substances;/' '\\  
640 '640' ' /'640/' ' (1) regulation (eu) no 575/2013 of the european parliament and of the council of 26 june 2  
013 on '  
641 '641' ' prudential requirements for credit/' '\\  
642 '642' ' /'641/' ' institutions and investment firms and amending regulation (eu) no 648/2012 (oj l 176, 27.6  
.2013, '  
643 '643' ' p. 1)./' '\\  
644 '644' ' /'642/' ' (2) directive 2013/36/eu of the european parliament and of the council of 26 june 2013 on  
access '  
645 '645' ' to the activity of credit institutions and/' '\\  
646 '646' ' /'643/' ' the prudential supervision of credit institutions and investment firms, amending directive  
, '  
647 '647' ' 2002/87/ec and repealing directives/' '\\  
648 '648' ' /'644/' ' 2006/48/ec and 2006/49/ec (oj l 176, 27.6.2013, p. 338)./' '\\  
649 '649' '19 of 218

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650 '650' ' '  
651 '651' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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652 '652' ' /'645/' ' 3/' '\\  
653 '653' ' /'646/' ' ( ) directive 2009/138/ec of the european parliament and of the council of 25 november 200

9 on'

654 '654' ' the taking-up and pursuit of the/' '\

655 '655' ' /'647/' ' business of insurance and reinsurance (solvency ii) (oj l 335, 17.12.2009, p. 1)./' '\

656 '656' ' /'648/' ' (4) directive 2004/39/ec of the european parliament and of the council of 21 april 2004 on

markets'

657 '657' ' in financial instruments amending/' '\

658 '658' ' /'649/' ' council directives 85/611/eec and 93/6/eec and directive 2000/12/ec of the european

parliament'

659 '659' ' and of the council and repealing/' '\

660 '660' ' /'650/' ' council directive 93/22/eec (oj l 145, 30.4.2004, p. 1)./' '\

661 '661' ' /'651/' ' (5) directive 2002/92/ec of the european parliament and of the council of 9 december 2002

on'

662 '662' ' insurance mediation (oj l 9, 15.1.2003,/' '\

663 '663' ' /'652/' ' p. 3)./' '\

664 '664' ' /'653/' ' /' '\

665 '665' ' /'654/' ' l 141/86 en official journal of the european union 5.6.2015/' '\

666 '666' ' /'655/' ' (c) the activities of criminal organisations as defined in article 1 of council joint

action 98/733/jha'

667 '667' ' (1);/' '\

668 '668' ' /'656/' ' (d) fraud affecting the union's financial interests, where it is at least serious, as

defined in article'

669 '669' ' 1(1) and/' '\

670 '670' ' /'657/' ' article 2(1) of the convention on the protection of the european communities' financial

interests'

671 '671' ' (2);/' '\

672 '672' ' /'658/' ' (e) corruption;/' '\

673 '673' ' /'659/' ' (f) all offences, including tax crimes relating to direct taxes and indirect taxes and as

defined in'

674 '674' ' the national law of/' '\

675 '675' ' /'660/' ' the member states, which are punishable by deprivation of liberty or a detention order for

a'

676 '676' ' maximum of/' '\

677 '677' ' /'661/' ' more than one year or, as regards member states that have a minimum threshold for offences

in'

678 '678' ' their legal/' '\

679 '679' ' /'662/' ' system, all offences punishable by deprivation of liberty or a detention order for a

minimum of'

680 '680' ' more than six/' '\

681 '681' ' /'663/' ' months;/' '\

682 '682' ' /'664/' ' (5) self-regulatory body means a body that represents members of a profession and has a

role in'

683 '683' ' regulating them, in/' '\

684 '684' ' /'665/' ' performing certain supervisory or monitoring type functions and in ensuring the

enforcement of'

685 '685' ' the rules relating/' '\

686 '686' ' /'666/' ' to them;/' '\

687 '687' ' /'667/' ' (6) beneficial owner means any natural person(s) who ultimately owns or controls the

customer'

688 '688' '20 of 218

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689 '689' ' '

690 '690' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/

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691 '691' ' and/or the natural/' '\

692 '692' ' /'668/' ' person(s) on whose behalf a transaction or activity is being conducted and includes at

least:/' '\

693 '693' ' /'669/' ' (a) in the case of corporate entities:/' '\

694 '694' ' /'670/' ' (i) the natural person(s) who ultimately owns or controls a legal entity through direct or

indirect'

695 '695' ' ownership of/' '\

696 '696' ' /'671/' ' a sufficient percentage of the shares or voting rights or ownership interest in that

entity, including'

697 '697' ' through/' '\

698 '698' ' /'672/' ' bearer shareholdings, or through control via other means, other than a company listed on a

,

699 '699' ' regulated/' '\

700 '700' ' /'673/' ' market that is subject to disclosure requirements consistent with union law or subject to'

701 '701' ' equivalent interna/' '\

702 '702' ' /'674/' ' tional standards which ensure adequate transparency of ownership information./' '\

703 '703' ' /'675/' ' a shareholding of 25 % plus one share or an ownership interest of more than 25 % in the

customer'

704 '704' ' held/' '\

705 '705' ' /'676/' ' by a natural person shall be an indication of direct ownership. a shareholding of 25 %

plus one'

706 '706' ' share or/' '\

707 '707' ' /'677/' ' an ownership interest of more than 25 % in the customer held by a corporate entity, which

is'

708 '708' ' under the/' '\\  
 709 '709' ' /'678/' ' control of a natural person(s), or by multiple corporate entities , which are under the  
 control of the '  
 710 '710' ' same/' '\\  
 711 '711' ' /'679/' ' natural person(s), shall be an indication of indirect ownership. this applies without  
 prejudice to the '  
 712 '712' ' right of/' '\\  
 713 '713' ' /'680/' ' member states to decide that a lower percentage may be an indication of ownership or  
 control. '  
 714 '714' ' control/' '\\  
 715 '715' ' /'681/' ' through other means may be determined, inter alia , in accordance with the criteria in  
 article 22(1) '  
 716 '716' ' to (5) of/' '\\  
 717 '717' ' /'682/' ' directive 2013/34/eu of the european parliament and of the council (3);/' '\\  
 718 '718' ' /'683/' ' (ii) if, after having exhausted all possible means and provided there are no grounds for  
 suspicion, '  
 719 '719' ' no person/' '\\  
 720 '720' ' /'684/' ' under point (i) is identified , or if there is any doubt that the person(s) identified are  
 the beneficial '  
 721 '721' ' owner(s);/' '\\  
 722 '722' ' /'685/' ' the natural person(s) who hold the position of senior managing official(s), the obliged  
 entities '  
 723 '723' ' shall keep/' '\\  
 724 '724' ' /'686/' ' records of the actions taken in order to identify the beneficial ownership under point (i)  
 and this '  
 725 '725' ' point;/' '\\  
 726 '726' ' /'687/' ' (b) in the case of trusts;/' '\\  
 727 '727' ' /'688/' ' (i) the settlor;/' '\\  
 728 '728' ' 21 of 218  
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 729 '729' ' '  
 730 '730' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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 731 '731' ' /'689/' ' (ii) the trustee(s);/' '\\  
 732 '732' ' /'690/' ' (iii) the protector, if any;/' '\\  
 733 '733' ' /'691/' ' (iv) the beneficiaries , or where the individuals benefiting from the legal arrangement or  
 entity '  
 734 '734' ' have yet to be/' '\\  
 735 '735' ' /'692/' ' determined, the class of persons in whose main interest the legal arrangement or entity is  
 set up '  
 736 '736' ' or/' '\\  
 737 '737' ' /'693/' ' operates;/' '\\  
 738 '738' ' /'694/' ' (v) any other natural person exercising ultimate control over the trust by means of direct  
 or '  
 739 '739' ' indirect/' '\\  
 740 '740' ' /'695/' ' ownership or by other means;/' '\\  
 741 '741' ' /'696/' ' (1) joint action 98/733/jha of 21 december 1998 adopted by the council on the basis of  
 article k.3 '  
 742 '742' ' of the treaty on european union, on/' '\\  
 743 '743' ' /'697/' ' making it a criminal offence to participate in a criminal organisation in the member  
 states of the '  
 744 '744' ' european union (oj l 351,/' '\\  
 745 '745' ' /'698/' ' 29.12.1998, p. 1)./' '\\  
 746 '746' ' /'699/' ' (2) oj c 316, 27.11.1995, p. 49./' '\\  
 747 '747' ' /'700/' ' 3/' '\\  
 748 '748' ' /'701/' ' ( ) directive 2013/34/eu of the european parliament and of the council of 26 june 2013 on  
 the '  
 749 '749' ' annual financial statements, consolidated/' '\\  
 750 '750' ' /'702/' ' financial statements and related reports of certain types of undertakings , amending  
 directive '  
 751 '751' ' 2006/43/ec of the european parliament/' '\\  
 752 '752' ' /'703/' ' and of the council and repealing council directives 78/660/eec and 83/349/eec (oj l 182, '  
 753 '753' ' 29.6.2013, p. 19)./' '\\  
 754 '754' ' /'704/' ' /' '\\  
 755 '755' ' /'705/' ' 5.6.2015 en official journal of the european union l 141/87/' '\\  
 756 '756' ' /'706/' ' (c) in the case of legal entities such as foundations, and legal arrangements similar to  
 trusts , the '  
 757 '757' ' natural person(s);/' '\\  
 758 '758' ' /'707/' ' holding equivalent or similar positions to those referred to in point (b);/' '\\  
 759 '759' ' /'708/' ' (7) trust or company service provider means any person that, by way of its business,  
 provides '  
 760 '760' ' any of the following/' '\\  
 761 '761' ' /'709/' ' services to third parties;/' '\\  
 762 '762' ' /'710/' ' (a) the formation of companies or other legal persons;/' '\\  
 763 '763' ' /'711/' ' (b) acting as, or arranging for another person to act as, a director or secretary of a  
 company, a '

'764' ' partner of a/' '\

'765' ' /'712/' / partnership, or a similar position in relation to other legal persons;/' '\

'766' '22 of 218

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'767' ''

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'769' ' /'713/' / (c) providing a registered office, business address, correspondence or administrative address and'

'770' ' other related/' '\

'771' ' /'714/' / services for a company, a partnership or any other legal person or arrangement;/' '\

'772' ' /'715/' / (d) acting as, or arranging for another person to act as, a trustee of an express trust or a similar'

'773' ' legal arrangement;/' '\

'774' ' /'716/' / (e) acting as, or arranging for another person to act as, a nominee shareholder for another person'

'775' ' other than a/' '\

'776' ' /'717/' / company listed on a regulated market that is subject to disclosure requirements in accordance with'

'777' ' union law/' '\

'778' ' /'718/' / or subject to equivalent international standards;/' '\

'779' ' /'719/' / (8) correspondent relationship means;/' '\

'780' ' /'720/' / (a) the provision of banking services by one bank as the correspondent to another bank as the'

'781' ' respondent;/' '\

'782' ' /'721/' / including providing a current or other liability account and related services, such as cash'

'783' ' management, interna/' '\

'784' ' /'722/' / tional funds transfers, cheque clearing, payable-through accounts and foreign exchange services;/' '\

'785' ' /'723/' / (b) the relationships between and among credit institutions and financial institutions including'

'786' ' where similar/' '\

'787' ' /'724/' / services are provided by a correspondent institution to a respondent institution, and including'

'788' ' relationships/' '\

'789' ' /'725/' / established for securities transactions or funds transfers;/' '\

'790' ' /'726/' / (9) politically exposed person means a natural person who is or who has been entrusted with'

'791' ' prominent public/' '\

'792' ' /'727/' / functions and includes the following;/' '\

'793' ' /'728/' / (a) heads of state, heads of government, ministers and deputy or assistant ministers;/' '\

'794' ' /'729/' / (b) members of parliament or of similar legislative bodies;/' '\

'795' ' /'730/' / (c) members of the governing bodies of political parties;/' '\

'796' ' /'731/' / (d) members of supreme courts, of constitutional courts or of other high-level judicial bodies, the'

'797' ' decisions of/' '\

'798' ' /'732/' / which are not subject to further appeal, except in exceptional circumstances;/' '\

'799' ' /'733/' / (e) members of courts of auditors or of the boards of central banks;/' '\

'800' ' /'734/' / (f) ambassadors, chargés d'affaires and high-ranking officers in the armed forces;/' '\

'801' ' /'735/' / (g) members of the administrative, management or supervisory bodies of state-owned'

'802' ' enterprises;/' '\

'803' ' /'736/' / (h) directors, deputy directors and members of the board or equivalent function of an international'

'804' '23 of 218

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'805' ''

'806' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\

'807' ' Masters/Study/Mast... '/' '\

'808' ' organisation./' '\

'808' ' /'737/' / no public function referred to in points (a) to (h) shall be understood as covering middle -ranking'

'809' ' or more junior/' '\

'810' ' /'738/' / officials;/' '\

'811' ' /'739/' / (10) family members includes the following;/' '\

'812' ' /'740/' / (a) the spouse, or a person considered to be equivalent to a spouse, of a politically exposed'

'813' ' person;/' '\

'814' ' /'741/' / (b) the children and their spouses, or persons considered to be equivalent to a spouse, of a a'

'815' ' politically exposed/' '\

'816' ' /'742/' / person;/' '\

'817' ' /'743/' / (c) the parents of a politically exposed person;/' '\

'818' ' /'744/' / '/' '\

'819' ' /'745/' / L 141/88 en official journal of the european union 5.6.2015/' '\



820 '820' ' /'746/' /' (11) persons known to be close associates means:/'\  
 821 '821' ' /'747/' /' (a) natural persons who are known to have joint beneficial ownership of legal entities or  
 legal '  
 822 '822' ' arrangements, or/'\  
 823 '823' ' /'748/' /' any other close business relations, with a politically exposed person;/'\  
 824 '824' ' /'749/' /' (b) natural persons who have sole beneficial ownership of a legal entity or legal  
 arrangement '  
 825 '825' ' which is known to/'\  
 826 '826' ' /'750/' /' have been set up for the de facto benefit of a politically exposed person./'\  
 827 '827' ' /'751/' /' (12) senior management means an officer or employee with sufficient knowledge of the '  
 828 '828' ' institution's money laundering/'\  
 829 '829' ' /'752/' /' and terrorist financing risk exposure and sufficient seniority to take decisions affecting  
 its risk '  
 830 '830' ' exposure, and need/'\  
 831 '831' ' /'753/' /' not, in all cases, be a member of the board of directors;/'\  
 832 '832' ' /'754/' /' (13) business relationship means a business, professional or commercial relationship  
 which is '  
 833 '833' ' connected with the/'\  
 834 '834' ' /'755/' /' professional activities of an obliged entity and which is expected, at the time when the  
 contact is '  
 835 '835' ' established, to/'\  
 836 '836' ' /'756/' /' have an element of duration;/'\  
 837 '837' ' /'757/' /' (14) gambling services means a service which involves wagering a stake with monetary  
 value in '  
 838 '838' ' games of chance,/'\  
 839 '839' ' /'758/' /' including those with an element of skill such as lotteries, casino games, poker games and  
 betting '  
 840 '840' ' transactions that/'\  
 841 '841' ' /'759/' /' are provided at a physical location, or by any means at a distance, by electronic means or  
 any '  
 842 '842' '24 of 218  
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 843 '843' ' '  
 844 '844' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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 845 '845' ' other technology for/'\  
 846 '846' ' /'760/' /' facilitating communication, and at the individual request of a recipient of services;/'\  
 847 '847' ' /'761/' /' (15) group means a group of undertakings which consists of a parent undertaking, its '  
 848 '848' ' subsidiaries, and the entities in/'\  
 849 '849' ' /'762/' /' which the parent undertaking or its subsidiaries hold a participation, as well as  
 undertakings '  
 850 '850' ' linked to each other/'\  
 851 '851' ' /'763/' /' by a relationship within the meaning of article 22 of directive 2013/34/eu;/'\  
 852 '852' ' /'764/' /' (16) electronic money means electronic money as defined in point (2) of article 2 of  
 directive '  
 853 '853' ' 2009/110/ec;/'\  
 854 '854' ' /'765/' /' (17) shell bank means a credit institution or financial institution, or an institution  
 that carries out '  
 855 '855' ' activities equivalent/'\  
 856 '856' ' /'766/' /' to those carried out by credit institutions and financial institutions, incorporated in a  
 jurisdiction in '  
 857 '857' ' which it has/'\  
 858 '858' ' /'767/' /' no physical presence, involving meaningful mind and management, and which is unaffiliated  
 with '  
 859 '859' ' a regulated/'\  
 860 '860' ' /'768/' /' financial group./'\  
 861 '861' ' Back'\  
 862 '862' ' EUPar\Directive\AMLDIV\2015\849 [166220:172061] '\  
 863 '863' ' /'1482/' /' section 2/'\  
 864 '864' ' /'1483/' /' supervision/'\  
 865 '865' ' /'1484/' /' article 47/'\  
 866 '866' ' /'1485/' /' 1. member states shall provide that currency exchange and cheque cashing offices and  
 trust or '  
 867 '867' ' company service/'\  
 868 '868' ' /'1486/' /' providers be licensed or registered and providers of gambling services be regulated./'\  
 869 '869' ' /'1487/' /' 2. member states shall require competent authorities to ensure that the persons who hold  
 a '  
 870 '870' ' management function in/'\  
 871 '871' ' /'1488/' /' the entities referred to in paragraph 1, or are the beneficial owners of such entities,  
 are fit and '  
 872 '872' ' proper persons./'\  
 873 '873' ' /'1489/' /' 3. with respect to the obliged entities referred to in point (3)(a), (b) and (d) of  
 article 2(1), '  
 874 '874' ' member states shall/'\  
 875 '875' ' /'1490/' /' ensure that competent authorities take the necessary measures to prevent criminals  
 convicted in '  
 876 '876' ' relevant areas or their/'\

877 '877' ' /'1491/' /' associates from holding a management function in or being the beneficial owners of those'  
878 '878' ' obliged entities./''\\  
879 '879' ' /'1492/' /' article 48/'\\  
880 '880' '25 of 218

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021, 1:01 am'\\  
881 '881' ''  
882 '882' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
883 '883' ' /'1493/' /' 1. member states shall require the competent authorities to monitor effectively, and to  
take the'  
884 '884' ' measures necessary to/'\\  
885 '885' ' /'1494/' /' ensure, compliance with this directive./''\\  
886 '886' ' /'1495/' /' 2. member states shall ensure that the competent authorities have adequate powers,  
including the'  
887 '887' ' power to compel/'\\  
888 '888' ' /'1496/' /' the production of any information that is relevant to monitoring compliance and perform  
checks, '  
889 '889' ' and have adequate/'\\  
890 '890' ' /'1497/' /' financial, human and technical resources to perform their functions. member states shall  
ensure '  
891 '891' ' that staff of those/'\\  
892 '892' ' /'1498/' /' authorities maintain high professional standards, including standards of confidentiality  
and data '  
893 '893' ' protection, that they are/'\\  
894 '894' ' /'1499/' /' of high integrity and are appropriately skilled./''\\  
895 '895' ' /'1500/' /'/'\\  
896 '896' ' /'1501/' /'5.6.2015 en official journal of the european union l 141/105/'\\  
897 '897' ' /'1502/' /' 3. in the case of credit institutions, financial institutions, and providers of gambling  
services, '  
898 '898' ' competent authorities/'\\  
899 '899' ' /'1503/' /' shall have enhanced supervisory powers./''\\  
900 '900' ' /'1504/' /' 4. member states shall ensure that competent authorities of the member state in which the  
, '  
901 '901' ' obliged entity operates/'\\  
902 '902' ' /'1505/' /' establishments supervise that those establishments respect the national provisions of  
that '  
903 '903' ' member state transposing this/'\\  
904 '904' ' /'1506/' /' directive. in the case of the establishments referred to in article 45(9), such  
supervision may '  
905 '905' ' include the taking of/'\\  
906 '906' ' /'1507/' /' appropriate and proportionate measures to address serious failings that require immediate  
, '  
907 '907' ' remedies. those measures/'\\  
908 '908' ' /'1508/' /' shall be temporary and be terminated when the failings identified are addressed,  
including with '  
909 '909' ' the assistance of or in/'\\  
910 '910' ' /'1509/' /' cooperation with the competent authorities of the home member state of the obliged entity  
, in '  
911 '911' ' accordance with/'\\  
912 '912' ' /'1510/' /' article 45(2)./'\\  
913 '913' ' /'1511/' /' 5. member states shall ensure that the competent authorities of the member state in which  
the '  
914 '914' ' obliged entity/'\\  
915 '915' ' /'1512/' /' operates establishments shall cooperate with the competent authorities of the member  
state in '  
916 '916' ' which the obliged entity/'\\  
917 '917' ' /'1513/' /' has its head office, to ensure effective supervision of the requirements of this  
directive./''\\  
918 '918' ' /'1514/' /' 6. member states shall ensure that when applying a risk-based approach to supervision,  
the '  
919 '919' ' competent authorities:/'\\  
920 '920' '26 of 218

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1, 1:01 am'\\  
921 '921' ''  
922 '922' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
923 '923' ' /'1515/' /' (a) have a clear understanding of the risks of money laundering and terrorist financing  
present in '  
924 '924' ' their member state;/'\\  
925 '925' ' /'1516/' /' (b) have on-site and off-site access to all relevant information on the specific domestic  
and '  
926 '926' ' international risks associated/'\\  
927 '927' ' /'1517/' /' with customers, products and services of the obliged entities; and/'\\  
928 '928' ' /'1518/' /' (c) base the frequency and intensity of on-site and off-site supervision on the risk  
profile of '

929 '929' ' obliged entities , and on the/' '\\  
 930 '930' ' /'1519/' ' risks of money laundering and terrorist financing in that member state./' '\\  
 931 '931' ' /'1520/' ' 7. the assessment of the money laundering and terrorist financing risk profile of obliged  
 entities , '  
 932 '932' ' including the risks/' '\\  
 933 '933' ' /'1521/' ' of non-compliance , shall be reviewed both periodically and when there are major events or  
 ,  
 934 '934' ' developments in their/' '\\  
 935 '935' ' /'1522/' ' management and operations./' '\\  
 936 '936' ' /'1523/' ' 8. member states shall ensure that competent authorities take into account the degree of '  
 937 '937' ' discretion allowed to the/' '\\  
 938 '938' ' /'1524/' ' obliged entity , and appropriately review the risk assessments underlying this discretion ,  
 and the '  
 939 '939' ' adequacy and implemen/' '\\  
 940 '940' ' /'1525/' ' tation of its internal policies , controls and procedures./' '\\  
 941 '941' ' /'1526/' ' 9. in the case of the obliged entities referred to in point (3)(a) , (b) and (d) of  
 article 2(1) , member '  
 942 '942' ' states may allow/' '\\  
 943 '943' ' /'1527/' ' the functions referred to in paragraph 1 of this article to be performed by self-  
 regulatory bodies , '  
 944 '944' ' provided that those/' '\\  
 945 '945' ' /'1528/' ' self-regulatory bodies comply with paragraph 2 of this article./' '\\  
 946 '946' ' /'1529/' ' 10. by 26 june 2017 , the esas shall issue guidelines addressed to competent authorities  
 in '  
 947 '947' ' accordance with article/' '\\  
 948 '948' ' /'1530/' ' 16 of regulations (eu) no 1093/2010 , (eu) no 1094/2010 and (eu) no 1095/2010 on the '  
 949 '949' ' characteristics of a risk-/' '\\  
 950 '950' ' /'1531/' ' based approach to supervision and the steps to be taken when conducting supervision on a  
 risk- '  
 951 '951' ' based basis. specific/' '\\  
 952 '952' ' /'1532/' ' account shall be taken of the nature and size of the business , and , where appropriate and  
 ,  
 953 '953' ' proportionate , specific/' '\\  
 954 '954' ' /'1533/' ' measures shall be laid down./' '\\  
 955 '955' ' Back' '\\  
 956 '956' ' EUPar\ \_Directive\\_AMLDV\\_2018\\_843 [ 62450: 68117] '\\  
 957 '957' ' article 1/' '\\  
 958 '958' ' /'516/' ' amendments to directive (eu) 2015/849/' '\\  
 959 '959' ' 27 of 218  
 6/09/2021 , 1:01 am' '\\  
 960 '960' ' '  
 961 '961' ' Codings created by RQDA. file :///C:/Users/benwa/Documents/Studium/  
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 962 '962' ' /'517/' ' directive (eu) 2015/849 is amended as follows:/' '\\  
 963 '963' ' /'518/' ' (1) point (3) of article 2(1) is amended as follows:/' '\\  
 964 '964' ' /'519/' ' (a) point (a) is replaced by the following:/' '\\  
 965 '965' ' /'520/' ' (a) auditors , external accountants and tax advisors , and any other person that undertakes  
 to , '  
 966 '966' ' provide , directly or/' '\\  
 967 '967' ' /'521/' ' by means of other persons to which that other person is related , material aid , assistance  
 or advice '  
 968 '968' ' on tax/' '\\  
 969 '969' ' /'522/' ' matters as principal business or professional activity ; ;/' '\\  
 970 '970' ' /'523/' ' (b) point (d) is replaced by the following:/' '\\  
 971 '971' ' /'524/' ' (d) estate agents including when acting as intermediaries in the letting of immovable  
 property , '  
 972 '972' ' but only in/' '\\  
 973 '973' ' /'525/' ' relation to transactions for which the monthly rent amounts to eur 10 000 or more ; ;/' '\\  
 974 '974' ' /'526/' ' (c) the following points are added:/' '\\  
 975 '975' ' /'527/' ' (g) providers engaged in exchange services between virtual currencies and fiat currencies  
 ;/' '\\  
 976 '976' ' /'528/' ' (h) custodian wallet providers ;/' '\\  
 977 '977' ' /'529/' ' (i) persons trading or acting as intermediaries in the trade of works of art , including  
 when this is '  
 978 '978' ' carried out by/' '\\  
 979 '979' ' /'530/' ' art galleries and auction houses , where the value of the transaction or a series of linked  
 ,  
 980 '980' ' transactions/' '\\  
 981 '981' ' /'531/' ' amounts to eur 10 000 or more ;/' '\\  
 982 '982' ' /'532/' ' (j) persons storing , trading or acting as intermediaries in the trade of works of art when  
 this is '  
 983 '983' ' carried out by/' '\\  
 984 '984' ' /'533/' ' free ports , where the value of the transaction or a series of linked transactions amounts  
 to eur 10 '  
 985 '985' ' 000 or/' '\\  
 986 '986' ' /'534/' ' more. ;/' '\\  
 987 '987' ' /'535/' ' (2) article 3 is amended as follows:/' '\

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988 '988' ' ' /'536/' ' (a) point (4) is amended as follows:/' '\
989 '989' ' ' /'537/' ' (i) point (a) is replaced by the following:/' '\
990 '990' ' ' /'538/' ' (a) terrorist offences, offences related to a terrorist group and offences related to
terrorist '
991 '991' ' ' activities as set/' '\
992 '992' ' ' /'539/' ' out in titles ii and iii of directive (eu) 2017/541 (*);/' '\
993 '993' ' ' /'540/' ' ' \_-\_-\_-\_-\_-\_-\_-\_-\_-' '\
994 '994' ' ' /'541/' ' (*) directive (eu) 2017/541 of the european parliament and of the council of 15 march 2017
on/' '\
995 '995' '28 of 218
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996 '996' ' '
997 '997' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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998 '998' ' ' /'542/' ' combating terrorism and replacing council framework decision 2002/475/jha and amending/' '
'\
999 '999' ' ' /'543/' ' council decision 2005/671/jha (oj l 88, 31.3.2017, p. 6). ;/' '\
1000 '1000' ' ' /'544/' ' (ii) point (c) is replaced by the following:/' '\
1001 '1001' ' ' /'545/' ' (c) the activities of criminal organisations as defined in article 1(1) of council
framework '
1002 '1002' ' ' decision/' '\
1003 '1003' ' ' /'546/' ' 2008/841/jha (*);/' '\
1004 '1004' ' ' /'547/' ' ' \_-\_-\_-\_-\_-\_-\_-\_-\_-' '\
1005 '1005' ' ' /'548/' ' (*) council framework decision 2008/841/jha of 24 october 2008 on the fight against
organised '
1006 '1006' ' ' crime/' '\
1007 '1007' ' ' /'549/' ' (oj l 300, 11.11.2008, p. 42). ;/' '\
1008 '1008' ' ' /'550/' ' (1) regulation (ec) no 45/2001 of the european parliament and of the council of 18
december 2000 '
1009 '1009' ' ' on the protection of individuals/' '\
1010 '1010' ' ' /'551/' ' with regard to the processing of personal data by the community institutions and bodies
and on '
1011 '1011' ' ' the free movement of such data/' '\
1012 '1012' ' ' /'552/' ' (oj l 8, 12.1.2001, p. 1)./' '\
1013 '1013' ' ' /'553/' ' (2) oj c 85, 18.3.2017, p. 3./' '\
1014 '1014' ' ' /'554/' ' /' '\
1015 '1015' ' ' /'555/' ' l 156/54 en official journal of the european union 19.6.2018/' '\
1016 '1016' ' ' /'556/' ' (b) in point (6), point (b) is replaced by the following:/' '\
1017 '1017' ' ' /'557/' ' (b) in the case of trusts, all following persons:/' '\
1018 '1018' ' ' /'558/' ' (i) the settlor(s);/' '\
1019 '1019' ' ' /'559/' ' (ii) the trustee(s);/' '\
1020 '1020' ' ' /'560/' ' (iii) the protector(s), if any;/' '\
1021 '1021' ' ' /'561/' ' (iv) the beneficiaries or where the individuals benefiting from the legal arrangement or
entity have '
1022 '1022' ' ' yet to be/' '\
1023 '1023' ' ' /'562/' ' determined, the class of persons in whose main interest the legal arrangement or entity
is set up '
1024 '1024' ' ' or/' '\
1025 '1025' ' ' /'563/' ' operates;/' '\
1026 '1026' ' ' /'564/' ' (v) any other natural person exercising ultimate control over the trust by means of
direct or '
1027 '1027' ' ' indirect/' '\
1028 '1028' ' ' /'565/' ' ownership or by other means; ;/' '\
1029 '1029' ' ' /'566/' ' (c) point (16) is replaced by the following:/' '\
1030 '1030' ' ' /'567/' ' (16) electronic money means electronic money as defined in point (2) of article 2 of
directive '
1031 '1031' '29 of 218
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1032 '1032' ' '
1033 '1033' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1034 '1034' ' ' 2009/110/ec,/' '\
1035 '1035' ' ' /'568/' ' but excluding monetary value as referred to in article 1(4) and (5) of that directive; ;/
'\
1036 '1036' ' ' /'569/' ' (d) the following points are added:/' '\
1037 '1037' ' ' /'570/' ' (18) virtual currencies means a digital representation of value that is not issued or
guaranteed '
1038 '1038' ' ' by a central/' '\
1039 '1039' ' ' /'571/' ' bank or a public authority, is not necessarily attached to a legally established currency
and does '
1040 '1040' ' ' not/' '\
1041 '1041' ' ' /'572/' ' possess a legal status of currency or money, but is accepted by natural or legal persons
as a means '
1042 '1042' ' ' of/' '\
1043 '1043' ' ' /'573/' ' exchange and which can be transferred, stored and traded electronically;/' '\
1044 '1044' ' ' /'574/' ' (19) custodian wallet provider means an entity that provides services to safeguard

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private '
1045 '1045' ' cryptographic keys/' '\
1046 '1046' ' /'575/' /' on behalf of its customers, to hold, store and transfer virtual currencies. ;/' '\
1047 '1047' ' Back'\
1048 '1048' ' EUParl\_Directive\_AMLDV\_2018\_843 [129359:131312]' '\
1049 '1049' ' (29) in article 47, paragraph 1 is replaced by the following:/' '\
1050 '1050' ' /'1154/' /' 1. member states shall ensure that providers of exchange services between virtual
currencies and'
1051 '1051' ' fiat currencies,/' '\
1052 '1052' ' /'1155/' /' and custodian wallet providers, are registered, that currency exchange and cheque
cashing'
1053 '1053' ' offices, and trust or/' '\
1054 '1054' ' /'1156/' /' company service providers are licensed or registered, and that providers of gambling
services are'
1055 '1055' ' regulated. ;/' '\
1056 '1056' ' /'1157/' /' (30) article 48 is amended as follows:/' '\
1057 '1057' ' /'1158/' /' (a) the following paragraph is inserted:/' '\
1058 '1058' ' /'1159/' /' 1a. in order to facilitate and promote effective cooperation, and in particular the
exchange of'
1059 '1059' ' information,/' '\
1060 '1060' ' /'1160/' /' member states shall communicate to the commission the list of competent authorities of
the'
1061 '1061' ' obliged entities/' '\
1062 '1062' ' /'1161/' /' listed in article 2(1), including their contact details. member states shall ensure that
the'
1063 '1063' ' information provided to/' '\
1064 '1064' ' /'1162/' /' the commission remains updated./' '\
1065 '1065' ' /'1163/' /' the commission shall publish a register of those authorities and their contact details
on its'
1066 '1066' ' website. the/' '\
1067 '1067' ' /'1164/' /' authorities in the register shall, within the scope of their powers, serve as a contact
point for the'
1068 '1068' ' counterpart/' '\
1069 '1069' '30 of 218

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1070 '1070' ''
1071 '1071' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1072 '1072' ' /'1165/' /' competent authorities of the other member states. financial supervisory authorities of
the member'
1073 '1073' ' states shall/' '\
1074 '1074' ' /'1166/' /' also serve as a contact point for the esas./' '\
1075 '1075' ' /'1167/' /' in order to ensure the adequate enforcement of this directive, member states shall
require that all'
1076 '1076' ' obliged/' '\
1077 '1077' ' /'1168/' /' entities are subject to adequate supervision, including the powers to conduct on-site
and off-site'
1078 '1078' ' supervision, and/' '\
1079 '1079' ' /'1169/' /' shall take appropriate and proportionate administrative measures to remedy the situation
in the'
1080 '1080' ' case of/' '\
1081 '1081' ' /'1170/' /' breaches. ;/' '\
1082 '1082' ' Back'\
1083 '1083' ' MaltaParl\_2018\_ITAS\_Act [ 67198: 67350]' '\
1084 '1084' ' (e) insert and amend any definitions in this act;/' '\
1085 '1085' ' /'889/' /' (f) amend, substitute or revoke any of the/' '\
1086 '1086' ' /'890/' /' schedules;/' '\
1087 '1087' ' Back'\
1088 '1088' ' 18 Codings of /'audit/' from 4 files.' '\
1089 '1089' ' EUComm\_Proposal\_MiCA\_2020\_0265 [572430:572959]' '\
1090 '1090' ' payment modalities and the control strategy proposed/' '\
1091 '1091' ' /'6531/' /' management will take place through the three european supervisory authorities (esas)./' '\
\\
1092 '1092' ' /'6532/' /' as regards the control strategy, the three esas work closely with the commission s
internal/' '\
1093 '1093' ' /'6533/' /' audit service to ensure that appropriate standards are met in all areas of internal
control/' '\
1094 '1094' ' /'6534/' /' framework. those arrangements will also apply to the role of the agencies in respect of
the/' '\
1095 '1095' ' /'6535/' /' current proposal./' '\
1096 '1096' ' Back'\
1097 '1097' ' MaltaParl\_2018\_ITAS\_Act [ 5511: 5667]' '\
1098 '1098' ' //systems auditor/' means a person who, upon a written/' '\
1099 '1099' ' /'75/' /' engagement accepts to review and, or audit innovative technology/' '\
1100 '1100' ' Back'\
1101 '1101' ' MaltaParl\_2018\_ITAS\_Act [ 5826: 5961]' '\

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1102 '1102' ' necessarily be an accountant or auditor with a practicing certificate/' '\

1103 '1103' '31 of 218

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1104 '1104' ''

1105 '1105' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\

1106 '1106' ' /'80/' /'cap. 281. under the accountancy profession act;/' '\

1107 '1107' ' Back'\

1108 '1108' ' MaltaParl\\_2018\\_ITAS\\_Act [ 22454: 22480] '\

1109 '1109' ' registered systems auditor'

1110 '1110' ' Back'\

1111 '1111' ' MaltaParl\\_2018\\_ITAS\\_Act [ 30603: 32619] '\

1112 '1112' ' (b) open, decentralised, public and permission-less/' '\

1113 '1113' ' /'413/' /' dlts, and other similar innovative technology arrangements,/' '\

1114 '1114' ' /'414/' /' where compliance with one of the requirements stated in this article/' '\

1115 '1115' ' /'415/' /' is not practicable within short time frames due to technical challenges/' '\

1116 '1116' ' /'416/' /' as shall be confirmed by a systems auditor registered under this act,/' '\

1117 '1117' ' /'417/' /' if the authority considers the circumstances of the case appropriate,/' '\

1118 '1118' ' /'418/' /' the authority may, on the basis of the recommendation of the said/' '\

1119 '1119' ' /'419/' /' systems auditor and the agreement of the applicant identify -/' '\

1120 '1120' ' /'420/' /' (a) the issues on which there is non-compliance with/' '\

1121 '1121' ' /'421/' /' the legal requirements stated in this article;/' '\

1122 '1122' ' /'422/' /' (b) the matters which need to be overcome for such/' '\

1123 '1123' ' /'423/' /' issues to be addressed;/' '\

1124 '1124' ' /'424/' /' (c) the manner in which such issues may be/' '\

1125 '1125' ' /'425/' /' addressed as would satisfy the authority of compliance with/' '\

1126 '1126' ' /'426/' /' this article; and/' '\

1127 '1127' ' /'427/' /' (d) the time frame within which the issues are to be/' '\

1128 '1128' ' /'428/' /' addressed,/' '\

1129 '1129' ' /'429/' /' and proceed to issue a certification of the said innovative technology/' '\

1130 '1130' ' /'430/' /' arrangement conditionally upon compliance within the time frames/' '\

1131 '1131' ' /'431/' /' agreed with the applicant and subject to the additional condition that/' '\

1132 '1132' ' /'432/' /' a systems auditor who has been registered under this act and who/' '\

1133 '1133' ' /'433/' /' maintains such recognition at all relevant times issues a positive/' '\

1134 '1134' ' /'434/' /' assurance that the necessary actions and modifications have been/' '\

1135 '1135' ' /'435/' /' made to the innovative technology arrangement to achieve the agreed/' '\

1136 '1136' '32 of 218

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1137 '1137' ''

1138 '1138' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\

1139 '1139' ' /'436/' /' outcomes and compliance with this article./' '\

1140 '1140' ' Back'\

1141 '1141' ' MaltaParl\\_2018\\_ITAS\\_Act [ 46396: 47250] '\

1142 '1142' ' (2) in so far as an innovative technology arrangement is/' '\

1143 '1143' ' /'618/' /'concerned, the holder of the certificate shall also provide the/' '\

1144 '1144' ' /'619/' /'authority with a declaration by a registered systems auditor and a/' '\

1145 '1145' ' /'620/' /'registered technical administrator that they are aware of the material/' '\

1146 '1146' ' /'621/' /'changes which have been made to the information previously/' '\

1147 '1147' ' /'622/' /'provided to the authority and that such changes do not affect the/' '\

1148 '1148' ' /'623/' /'content of their review, assurances or declarations provided to the/' '\

1149 '1149' ' /'624/' /'authority for the purposes of the certification of the relevant/' '\

1150 '1150' ' /'625/' /'innovative technology arrangement or, to the extent that the changes/' '\

1151 '1151' ' /'626/' /'result in additional features which have not been reviewed and do not/' '\

1152 '1152' ' /'627/' /'fall within the parameters of existing assurances and declarations/' '\

1153 '1153' ' /'628/' /'issued by them as required under article 8:/' '\

1154 '1154' ' Back'\

1155 '1155' ' MaltaParl\\_2018\\_ITAS\\_Act [ 50001: 50950] '\

1156 '1156' ' submitting the information assurances,/' '\

1157 '1157' ' /'667/' /' declarations and other materials or taking such actions as are/' '\

1158 '1158' ' /'668/' /' required by the authority for renewals of the relevant/' '\

1159 '1159' ' /'669/' /' authorisations and in particular to demonstrate that the/' '\

1160 '1160' ' /'670/' /' applicant is still in compliance with the act and the conditions/' '\

1161 '1161' ' /'671/' /' of its authorisation;/' '\

1162 '1162' ' /'672/' /' (b) in case of innovative technology arrangements,/' '\

1163 '1163' ' /'673/' /' carrying out the audits and reviews and obtaining the/' '\

1164 '1164' ' /'674/' /' necessary declarations from the registered auditor and the/' '\

1165 '1165' ' /'675/' /' registered technical administrator; and/' '\

1166 '1166' ' /'676/' /' (c) by paying to the authority the relevant fees./' '\

1167 '1167' ' Back'\

1168 '1168' ' MaltaParl\\_2018\\_ITAS\\_Act [ 69205: 69770] '\

1169 '1169' ' establish the circumstances in which any persons/' '\

1170 '1170' '33 of 218

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1171 '1171' ''

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1172 '1172' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
1173 '1173' ' /'916/' /' involved in connection with an authorisation holder, including/' '\\
1174 '1174' ' /'917/' /' any systems auditor or technical administrator, are obliged to/' '\\
1175 '1175' ' /'918/' /' communicate information to the authority, prescribe/' '\\
1176 '1176' ' /'919/' /' regulations governing the disclosure by systems auditors or/' '\\
1177 '1177' ' /'920/' /' technical administrators of information and establish/' '\\
1178 '1178' ' /'921/' /' supervisory and disciplinary procedures for system auditors/' '\\
1179 '1179' ' /'922/' /' and technical administrators in respect of their duties./' '\\
1180 '1180' ' Back'\\
1181 '1181' ' MaltaParl\2018\ITAS\Act [ 70724: 72970] '\\
1182 '1182' ' innovative technology arrangements/' '\\
1183 '1183' ' /'938/' /' the following shall be considered to be innovative technology/' '\\
1184 '1184' ' /'939/' /' arrangements for the purposes of this act:/' '\\
1185 '1185' ' /'940/' /' 1. software and architectures which are used in designing/' '\\
1186 '1186' ' /'941/' /' and delivering dlt which ordinarily, but not necessarily:/' '\\
1187 '1187' ' /'942/' /' (a) uses a distributed, decentralized, shared/' '\\
1188 '1188' ' /'943/' /' and, or replicated ledger;/' '\\
1189 '1189' ' /'944/' /' (b) may be public or private or hybrids thereof;/' '\\
1190 '1190' ' /'945/' /' (c) is permissioned or permissionless or/' '\\
1191 '1191' ' /'946/' /' hybrids thereof;/' '\\
1192 '1192' ' /'947/' /' (d) is secure to a high level against retrospective/' '\\
1193 '1193' ' /'948/' /' tampering, such that the history of transactions cannot/' '\\
1194 '1194' ' /'949/' /' be replaced;/' '\\
1195 '1195' ' /'950/' /' (e) is protected with cryptography; and/' '\\
1196 '1196' ' /'951/' /' (f) is auditable;/' '\\
1197 '1197' ' /'952/' /' 2. software and other architectures, not necessarily used in/' '\\
1198 '1198' ' /'953/' /' the context of dlt, smart contracts and related applications as well/' '\\
1199 '1199' ' /'954/' /' as other similar arrangements, but which are used or meant to be/' '\\
1200 '1200' ' /'955/' /' used, as a stand-alone or as part of a solution in sectors and areas/' '\\
1201 '1201' ' /'956/' /' which are deemed to be of a risky or critical nature, where their/' '\\
1202 '1202' ' /'957/' /' failure or misuse could amongst other things result in loss of life ,/' '\\
1203 '1203' ' 34 of 218
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1204 '1204' ' '
1205 '1205' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
1206 '1206' ' /'958/' /' grave prejudice to the well-being and rights of natural persons./' '\\
1207 '1207' ' /'959/' /' significant asset loss or damage and significant damage to the/' '\\
1208 '1208' ' /'960/' /' environment./' '\\
1209 '1209' ' /'961/' /' 3. smart contracts and related applications, including/' '\\
1210 '1210' ' /'962/' /' decentralised autonomous organisations, as well as other similar/' '\\
1211 '1211' ' /'963/' /' arrangements;/' '\\
1212 '1212' ' /'964/' /' 4. any other innovative technology arrangement which may/' '\\
1213 '1213' ' /'965/' /' be designated by the minister, on the recommendation of the/' '\\
1214 '1214' ' Back'\\
1215 '1215' ' MaltaParl\2018\ITAS\Act [ 73984: 74223] '\\
1216 '1216' ' term of validity of authorisations/' '\\
1217 '1217' ' /'984/' /' certification of innovative technology arrangements – 2 years/' '\\
1218 '1218' ' /'985/' /' registration of systems auditors – 2 years/' '\\
1219 '1219' ' /'986/' /' registration of technical administrators – 2 years/' '\\
1220 '1220' ' Back'\\
1221 '1221' ' MaltaParl\2018\MDIA\Act [ 15299: 15531] '\\
1222 '1222' ' (k) to promote transparency and auditability in the/' '\\
1223 '1223' ' /'212/' /' use of innovative technology arrangements, and any/' '\\
1224 '1224' ' /'213/' /' application, software, or derivative product from it or/' '\\
1225 '1225' ' /'214/' /' intrinsically part of or connected to it;/' '\\
1226 '1226' ' Back'\\
1227 '1227' ' MaltaParl\2018\MDIA\Act [ 60476: 60675] '\\
1228 '1228' ' (2) the accounts of the authority shall be audited by an/' '\\
1229 '1229' ' /'786/' /' auditor or auditors to be appointed by the authority and approved by/' '\\
1230 '1230' ' /'787/' /' the minister:/' '\\
1231 '1231' ' Back'\\
1232 '1232' ' MaltaParl\2018\MDIA\Act [ 61153: 61558] '\\
1233 '1233' ' (3) the authority shall, not later than three months after the/' '\\
1234 '1234' ' /'794/' /' end of each financial year, cause a copy of the statement of accounts/' '\\
1235 '1235' ' /'795/' /' duly audited to be transmitted to the minister together with a copy of/' '\\
1236 '1236' ' /'796/' /' any report made by the auditors on that statement or on the accounts/' '\\
1237 '1237' ' 35 of 218
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1238 '1238' ' '
1239 '1239' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
1240 '1240' ' /'797/' /' of the authority./' '\\
1241 '1241' ' Back'\\
1242 '1242' ' MaltaParl\2018\MDIA\Act [ 87724: 89177] '\\
1243 '1243' ' arrangement recognised by the authority and the specific matters on/' '\\

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1272 '1272' ' '
1273 '1273' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1274 '1274' ' Back'\
1275 '1275' ' MaltaParl\_2018\_VFA\_Act [ 32870: 34035]'\
1276 '1276' ' (3) the subject person shall maintain proper and adequate/''\
1277 '1277' ' /'455/' /'records and accounts of all clients assets held under control./''\
1278 '1278' ' /'456/' /' the records and accounts shall identify the clients to whom such/''\
1279 '1279' ' /'457/' /'assets belong and shall clearly indicate that the assets of every client/''\
1280 '1280' ' /'458/' /'are separate and distinct from the assets belonging to the subject/''\
1281 '1281' ' /'459/' /'person and from other clients' assets held by the subject person. the/''\
1282 '1282' ' /'460/' /'/'\
1283 '1283' ' /'461/' /'b 3374/'\
1284 '1284' ' /'462/' /' records and accounts shall, upon due notice being given to the subject/''\
1285 '1285' ' /'463/' /' person, indicate where any pledge or other right over assets held under/''\
1286 '1286' ' /'464/' /' the control of the subject person has been given by the clients to any/''\
1287 '1287' ' /'465/' /' third parties, and where any order by any court has been made in/''\
1288 '1288' ' /'466/' /' connection with such assets./''\
1289 '1289' ' /'467/' /' (4) the subject person shall maintain accurate records and/''\
1290 '1290' ' /'468/' /' accounts in a way that ensures accuracy, and in particular their/''\
1291 '1291' ' /'469/' /' correspondence to the virtual financial assets and money held for the/''\
1292 '1292' ' /'470/' /' clients and that they may be used as an audit trail./''\
1293 '1293' ' Back'\
1294 '1294' ' MaltaParl\_2018\_VFA\_Act [ 47565: 49601]'\
1295 '1295' ' 20. (1) the subject person shall make information pertaining/''\
1296 '1296' ' /'650/' /'information./''\
1297 '1297' ' /'651/' /' to clients assets readily available to the following entities/''\
1298 '1298' ' /'652/' /' (a) the competent authority;/''\
1299 '1299' ' /'653/' /' (b) an auditor appointed in terms of article 50 of the act;/''\
1300 '1300' ' /'654/' /' and/''\
1301 '1301' ' /'655/' /' (c) appointed insolvency practitioners./''\
1302 '1302' ' /'656/' /' (2) the information to be made available in terms of sub-/''\
1303 '1303' ' /'657/' /' regulation (1) shall include the following:/''\
1304 '1304' '37 of 218
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1305 '1305' ' '
1306 '1306' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM_Masters/Study/Mast... '\
1307 '1307' ' /'658/' /' (a) related internal accounts and records that readily/''\
1308 '1308' ' /'659/' /' identify the balances of assets held for each client;/''\
1309 '1309' ' /'660/' /' (b) where client money is held by the subject person in/''\
1310 '1310' ' /'661/' /' accordance with regulation 16, as well as details of the accounts/''\
1311 '1311' ' /'662/' /' where client money is held and the relevant agreements with/''\
1312 '1312' ' /'663/' /' those entities;/''\
1313 '1313' ' /'664/' /' (c) where virtual financial assets are held by the subject/''\
1314 '1314' ' /'665/' /' person in accordance with regulation 15, as well as details of/''\
1315 '1315' ' /'666/' /'/'\

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1316 '1316' ' /'667/' ' b 3379/' '\
1317 '1317' ' /'668/' ' accounts opened with third parties and the relevant agreements/' '\
1318 '1318' ' /'669/' ' with those entities;/' '\
1319 '1319' ' /'670/' ' (d) details of third parties carrying out any related/' '\
1320 '1320' ' /'671/' ' outsourced tasks and details of any outsourced tasks;/' '\
1321 '1321' ' /'672/' ' (e) key individuals of the subject person involved in/' '\
1322 '1322' ' /'673/' ' related processes, including those responsible for oversight of/' '\
1323 '1323' ' /'674/' ' the subject person's requirements in relation to the safeguarding/' '\
1324 '1324' ' /'675/' ' of client assets; and/' '\
1325 '1325' ' /'676/' ' (f) agreements relevant to establish client ownership/' '\
1326 '1326' ' /'677/' ' over assets./' '\
1327 '1327' ' Back'\
1328 '1328' ' 16 Codings of /'crime/' from 6 files. '\
1329 '1329' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 73896: 74348] '\
1330 '1330' ' any/' '\
1331 '1331' ' /'822/' ' definition of crypto-assets should therefore correspond to the definition of virtual/' '\
1332 '1332' ' /'823/' ' assets set out in the recommendations of the financial action task force (fatf)34. '/' '\
1333 '1333' ' /'824/' ' for the same reason, any list of crypto-asset services should also encompass virtual/' '\
1334 '1334' ' /'825/' ' asset services that are likely to raise money-laundering concerns and that are identified
/' '\
1335 '1335' '38 of 218

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1336 '1336' '
1337 '1337' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1338 '1338' ' /'826/' ' as such by the fatf. '/' '\
1339 '1339' ' Back'\
1340 '1340' ' EUComm\_Proposal\_MiCA\_2020\_0265 [511461:525392] '\
1341 '1341' ' article 113/' '\
1342 '1342' ' /'5853/' ' fines/' '\
1343 '1343' ' /'5854/' ' 1. the eba shall adopt a decision imposing a fine in accordance with paragraph 3 or 4,/' '\
1344 '1344' ' /'5855/' ' where in accordance with article 116(8), it finds that:/' '\
1345 '1345' ' /'5856/' ' (a) an issuer of significant asset-referenced tokens has, intentionally or/' '\
1346 '1346' ' /'5857/' ' negligently, committed one of the infringements listed in annex v;/' '\
1347 '1347' ' /'5858/' ' (b) an issuer of significant e-money tokens has, intentionally or negligently,/' '\
1348 '1348' ' /'5859/' ' committed one of the infringements listed in annex vi. '/' '\
1349 '1349' ' /'5860/' ' an infringement shall be considered to have been committed intentionally if the/' '\
1350 '1350' ' /'5861/' ' eba finds objective factors which demonstrate that such an issuer or its management/' '\
1351 '1351' ' /'5862/' ' body acted deliberately to commit the infringement. '/' '\
1352 '1352' ' /'5863/' ' 2. when taking the actions referred to in paragraph 1, the eba shall take into account/' '\
1353 '1353' ' /'5864/' ' the nature and seriousness of the infringement, having regard to the following/' '\
1354 '1354' ' /'5865/' ' criteria:/' '\
1355 '1355' ' /'5866/' ' (a) the duration and frequency of the infringement;/' '\
1356 '1356' ' /'5867/' ' (b) whether financial crime has been occasioned, facilitated or otherwise/' '\
1357 '1357' ' /'5868/' ' attributable to the infringement;/' '\
1358 '1358' ' /'5869/' ' (c) whether the infringement has revealed serious or systemic weaknesses in the/' '\
1359 '1359' ' /'5870/' ' issuer of significant asset-referenced tokens' or in the issuer of significant e-/' '\
1360 '1360' ' /'5871/' ' money tokens procedures, policies and risk management measures;/' '\
1361 '1361' ' /'5872/' ' (d) whether the infringement has been committed intentionally or negligently;/' '\
1362 '1362' ' /'5873/' ' (e) the degree of responsibility of the issuer of significant asset-referenced tokens/' '\
1363 '1363' ' /'5874/' ' or the issuer of significant e-money tokens responsible for the infringement;/' '\
1364 '1364' ' /'5875/' ' (f) the financial strength of the issuer of significant asset-referenced tokens, or of/' '\
1365 '1365' ' /'5876/' ' the issuer of significant e-money tokens, responsible for the infringement, as/' '\
1366 '1366' ' /'5877/' ' indicated by the total turnover of the responsible legal person or the annual/' '\
1367 '1367' ' /'5878/' ' income and net assets of the responsible natural person;/' '\
1368 '1368' '39 of 218

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1369 '1369' '
1370 '1370' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1371 '1371' ' /'5879/' ' (g) the impact of the infringement on the interests of holders of significant asset-/' '\
1372 '1372' ' /'5880/' ' referenced tokens or significant e-money tokens;/' '\
1373 '1373' ' /'5881/' ' (h) the importance of the profits gained, losses avoided by the issuer of significant/' '\
1374 '1374' ' /'5882/' ' asset-referenced tokens responsible for the infringement or the losses for third/' '\
1375 '1375' ' /'5883/' ' parties derived from the infringement, insofar as they can be determined;/' '\
1376 '1376' ' /'5884/' ' (i) the level of cooperation of the issuer of significant asset-referenced tokens, or/' '\
1377 '1377' ' /'5885/' ' for the issuer of significant e-money tokens, for the infringement with the/' '\

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1378 '1378' ' /'5886/' /'en 132 en/' '\
1379 '1379' ' /'5887/' /' '\
1380 '1380' ' /'5888/' /' eba, without prejudice to the need to ensure disgorgement of profits gained or/' '\
1381 '1381' ' /'5889/' /' losses avoided by that person;/' '\
1382 '1382' ' /'5890/' /' (j) previous infringements by the issuer of significant asset-referenced tokens or/' '\
1383 '1383' ' /'5891/' /' by the issuer of significant e-money tokens responsible for the infringement;/' '\
1384 '1384' ' /'5892/' /' (k) measures taken after the infringement by the issuer of significant asset-referenced tokens or by the issuer of significant e-money tokens to prevent the/' '\
1385 '1385' ' /'5893/' /' repetition of such an infringement./' '\
1386 '1386' ' /'5894/' /' repetition of such an infringement./' '\
1387 '1387' ' /'5895/' /' 3. for issuers of significant asset-referenced tokens, the maximum amount of the fine/' '\
1388 '1388' ' /'5896/' /' referred to in paragraph 1 shall up to 15% of the annual turnover as defined under/' '\
1389 '1389' ' /'5897/' /' relevant union law, in the preceding business year, or twice the amount or profits/' '\
1390 '1390' ' /'5898/' /' gained or losses avoided because of the infringement where those can be determined./' '\
1391 '1391' ' /'5899/' /' 4. for issuers of significant e-money tokens, the maximum amount of the fine referred/' '\
1392 '1392' ' /'5900/' /' to in paragraph 1 shall up to 5% of the annual turnover, as defined under relevant/' '\
1393 '1393' ' /'5901/' /' union law, in the preceding business year, or twice the amount or profits gained or/' '\
1394 '1394' ' /'5902/' /' losses avoided because of the infringement where those can be determined./' '\
1395 '1395' ' /'5903/' /' article 114/' '\
1396 '1396' ' /'5904/' /' periodic penalty payments/' '\
1397 '1397' ' /'5905/' /' 1. the eba shall, by decision, impose periodic penalty payments in order to compel:/' '\
1398 '1398' ' /'5906/' /' (a) a person to put an end to an infringement in accordance with a decision taken/' '\
1399 '1399' ' /'5907/' /' pursuant to article 112;/' '\
1400 '1400' ' /'5908/' /' (b) a person referred to in article 104(1):/' '\
1401 '1401' '40 of 218

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1402 '1402' '
1403 '1403' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1404 '1404' ' /'5909/' /' i) to supply complete information which has been requested by a decision/' '\
1405 '1405' ' /'5910/' /' pursuant to article 104;/' '\
1406 '1406' ' /'5911/' /' ii) to submit to an investigation and in particular to produce complete/' '\
1407 '1407' ' /'5912/' /' records, data, procedures or any other material required and to complete/' '\
1408 '1408' ' /'5913/' /' and correct other information provided in an investigation launched by a/' '\
1409 '1409' ' /'5914/' /' decision pursuant to article 105;/' '\
1410 '1410' ' /'5915/' /' iii) to submit to an on-site inspection ordered by a decision taken pursuant to/' '\
1411 '1411' ' /'5916/' /' article 106./' '\
1412 '1412' ' /'5917/' /' 2. a periodic penalty payment shall be effective and proportionate. the periodic/' '\
1413 '1413' ' /'5918/' /' penalty payment shall be imposed for each day of delay./' '\
1414 '1414' ' /'5919/' /' 3. notwithstanding paragraph 2, the amount of the periodic penalty payments shall be/' '\
1415 '1415' ' /'5920/' /' 3 % of the average daily turnover in the preceding business year, or, in the case of/' '\
1416 '1416' ' /'5921/' /' natural persons, 2 % of the average daily income in the preceding calendar year. it/' '\
1417 '1417' ' /'5922/' /' shall be calculated from the date stipulated in the decision imposing the periodic/' '\
1418 '1418' ' /'5923/' /' penalty payment./' '\
1419 '1419' ' /'5924/' /' 4. a periodic penalty payment shall be imposed for a maximum period of six months/' '\
1420 '1420' ' /'5925/' /' following the notification of the eba's decision. following the end of the period, the/' '\
1421 '1421' ' /'5926/' /' eba shall review the measure./' '\
1422 '1422' ' /'5927/' /'en 133 en/' '\
1423 '1423' ' /'5928/' /' '\
1424 '1424' ' /'5929/' /' article 115/' '\
1425 '1425' ' /'5930/' /' disclosure, nature, enforcement and allocation of fines and periodic penalty payments/' '\
1426 '1426' ' /'5931/' /' 1. the eba shall disclose to the public every fine and periodic penalty payment that/' '\
1427 '1427' ' /'5932/' /' has been imposed pursuant to articles 113 and 114 unless such disclosure to the/' '\
1428 '1428' ' /'5933/' /' public would seriously jeopardise the financial stability or cause disproportionate/' '\
1429 '1429' ' /'5934/' /' damage to the parties involved. such disclosure shall not contain personal data/' '\
1430 '1430' ' /'5935/' /' within the meaning of regulation (eu) 2016/679172./' '\
1431 '1431' ' /'5936/' /' 2. fines and periodic penalty payments imposed pursuant to articles 113 and 114 shall/' '\
1432 '1432' ' /'5937/' /' be of an administrative nature./' '\
1433 '1433' ' /'5938/' /' 3. where the eba decides to impose no fines or penalty payments, it shall inform the/' '\
1434 '1434' '41 of 218

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1435 '1435' '
1436 '1436' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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1437 '1437' ' /'5939/' /' european parliament, the council, the commission, and the competent authorities of/' '\
1438 '1438' ' /'5940/' /' the member state concerned accordingly and shall set out the reasons for its/' '\
1439 '1439' ' /'5941/' /' decision./' '\

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1440 '1440' ' /'5942/' /' 4. fines and periodic penalty payments imposed pursuant to articles 113 and 114 shall/'  
1441 '1441' ' /'5943/' /' be enforceable./''\\  
1442 '1442' ' /'5944/' /' 5. enforcement shall be governed by the rules of civil procedure in force in the state  
in/'''\\  
1443 '1443' ' /'5945/' /' the territory of which it is carried out./''\\  
1444 '1444' ' /'5946/' /' 6. the amounts of the fines and periodic penalty payments shall be allocated to the/'''\\  
1445 '1445' ' /'5947/' /' general budget of the european union./''\\  
1446 '1446' ' /'5948/' /' article 116/'''\\  
1447 '1447' ' /'5949/' /' procedural rules for taking supervisory measures and imposing fines/'''\\  
1448 '1448' ' /'5950/' /' 1. where, in carrying out its duties under articles 98, the eba finds that there are/'  
1449 '1449' ' /'5951/' /' serious indications of the possible existence of facts liable to constitute one or more/  
1450 '1450' ' /'5952/' /' of the infringements listed in annexes v or vi, the eba shall appoint an/'''\\  
1451 '1451' ' /'5953/' /' independent investigation officer within the eba to investigate the matter. the/'''\\  
1452 '1452' ' /'5954/' /' appointed officer shall not be involved or have been directly or indirectly involved in/  
1453 '1453' ' /'5955/' /' the supervision of the issuers of significant asset-referenced tokens or issuers of/'''\\  
1454 '1454' ' /'5956/' /' significant e-money tokens and shall perform its functions independently from the/'''\\  
1455 '1455' ' /'5957/' /' eba./''\\  
1456 '1456' ' /'5958/' /' 2. the investigation officer referred to in paragraph 1 shall investigate the alleged/'  
1457 '1457' ' /'5959/' /' infringements, taking into account any comments submitted by the persons who are/'''\\  
1458 '1458' ' /'5960/' /' subject to the investigations, and shall submit a complete file with his findings to/'  
1459 '1459' ' /'5961/' /' eba./''\\  
1460 '1460' ' /'5962/' /' 3. in order to carry out its tasks, the investigation officer may exercise the power to/  
1461 '1461' ' /'5963/' /' request information in accordance with article 104 and to conduct investigations and/'  
1462 '1462' ' /'5964/' /' on-site inspections in accordance with articles 105 and 106. when using those/'''\\  
1463 '1463' ' /'5965/' /' powers, the investigation officer shall comply with article 103./''\\  
1464 '1464' ' /'5966/' /' 4. where carrying out his tasks, the investigation officer shall have access to all/'''\\  
1465 '1465' ' /'5967/' /' documents and information gathered by the eba in its supervisory activities./''\\  
1466 '1466' ' /'5968/' /' 72/'''\\  
1467 '1467' '42 of 218

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1468 '1468' ' '  
1469 '1469' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast...''\\  
1470 '1470' ' /'5969/' /' regulation (eu) 2016/679 of the european parliament and of the council of 27 april 2016  
on the/'''\\  
1471 '1471' ' /'5970/' /' protection of natural persons with regard to the processing of personal data and on the  
free '  
1472 '1472' ' movement of/'''\\  
1473 '1473' ' /'5971/' /' such data, and repealing directive 95/46/ec (general data protection regulation) (oj l 1  
19,'  
1474 '1474' ' 4.5.2016./''\\  
1475 '1475' ' /'5972/' /' p. 1)/''''\\  
1476 '1476' ' /'5973/' /'en 134 en/'''\\  
1477 '1477' ' /'5974/' /'/'''\\  
1478 '1478' ' /'5975/' /' 5. upon completion of his or her investigation and before submitting the file with his/'  
1479 '1479' ' /'5976/' /' findings to the eba, the investigation officer shall give the persons subject to the/'  
1480 '1480' ' /'5977/' /' investigations the opportunity to be heard on the matters being investigated. the/'''\\  
1481 '1481' ' /'5978/' /' investigation officer shall base his or her findings only on facts on which the persons/  
1482 '1482' ' /'5979/' /' concerned have had the opportunity to comment./''\\  
1483 '1483' ' /'5980/' /' 6. the rights of the defence of the persons concerned shall be fully respected during/'  
1484 '1484' ' /'5981/' /' investigations under this article./''\\  
1485 '1485' ' /'5982/' /' 7. when submitting the file with his findings to the eba, the investigation officer  
shall/'''\\  
1486 '1486' ' /'5983/' /' notify the persons who are subject to the investigations. the persons subject to the/'  
1487 '1487' ' /'5984/' /' investigations shall be entitled to have access to the file, subject to the legitimate/'  
1488 '1488' ' /'5985/' /' interest of other persons in the protection of their business secrets. the right of/'''\\  
1489 '1489' ' /'5986/' /' access to the file shall not extend to confidential information affecting third parties  
or/'''\\  
1490 '1490' ' /'5987/' /' the eba's internal preparatory documents./''\\  
1491 '1491' ' /'5988/' /' 8. on the basis of the file containing the investigation officer's findings and, when/'  
1492 '1492' ' /'5989/' /' requested by the persons subject to the investigations, after having heard those/'''\\



1548 '1548' ' /'80/' /' by the perpetrator of the criminal activity that generated the property ( self–laundering  
) . in such '  
1549 '1549' ' cases , where , the/' '\\  
1550 '1550' ' /'81/' /' money laundering activity does not simply amount to the mere possession or use of property  
, but '  
1551 '1551' ' also involves/' '\\  
1552 '1552' ' /'82/' /' the transfer , conversion , concealment or disguise of property and results in further  
damage than that '  
1553 '1553' ' already/' '\\  
1554 '1554' ' /'83/' /' caused by the criminal activity , for instance by putting the property derived from  
criminal activity '  
1555 '1555' ' into circulation/' '\\  
1556 '1556' ' /'84/' /' and , by doing so , concealing its unlawful origin , that money laundering activity should be  
,  
1557 '1557' ' punishable./' '\\  
1558 '1558' ' /'85/' /' (1) directive (eu) 2017/1371 of the european parliament and of the council of 5 july 2017  
on the '  
1559 '1559' ' fight against fraud to the union s/' '\\  
1560 '1560' ' /'86/' /' financial interests by means of criminal law (oj l 198 , 28.7.2017 , p. 29) ./' '\\  
1561 '1561' ' Back'\  
1562 '1562' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [ 9218: 9310] '\\  
1563 '1563' ' (9) the anonymity of virtual currencies allows their potential misuse for criminal purposes. '\\  
1564 '1564' ' Back'\  
1565 '1565' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [ 7526: 8842] '\\  
1566 '1566' ' those unscrs deal with , respectively , the links between terrorism and transnational/' '\\  
1567 '1567' ' /'70/' /' organised crime , preventing terrorist groups from gaining access to international  
financial '  
1568 '1568' ' institutions and/' '\\  
1569 '1569' ' /'71/' /' expanding the sanctions framework to include islamic state in iraq and levant./' '\\  
1570 '1570' ' /'72/' /' (8) providers engaged in exchange services between virtual currencies and fiat currencies  
(that is to '  
1571 '1571' ' say coins and/' '\\  
1572 '1572' ' /'73/' /' banknotes that are designated as legal tender and electronic money , of a country , accepted  
as a '  
1573 '1573' ' medium of/' '\\  
1574 '1574' ' /'74/' /' exchange in the issuing country) as well as custodian wallet providers are under no union '  
1575 '1575' ' obligation to/' '\\  
1576 '1576' ' 45 of 218  
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1577 '1577' ' '  
1578 '1578' ' Codings created by RQDA. file :///C:/Users/benwa/Documents/Studium/  
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1579 '1579' ' /'75/' /' identify suspicious activity . therefore , terrorist groups may be able to transfer money  
into the union '  
1580 '1580' ' financial/' '\\  
1581 '1581' ' /'76/' /' system or within virtual currency networks by concealing transfers or by benefiting from a  
certain '  
1582 '1582' ' degree of/' '\\  
1583 '1583' ' /'77/' /' anonymity on those platforms . it is therefore essential to extend the scope of directive (   
eu ) '  
1584 '1584' ' 2015/849 so as to/' '\\  
1585 '1585' ' /'78/' /' include providers engaged in exchange services between virtual currencies and fiat  
currencies as '  
1586 '1586' ' well as custodian/' '\\  
1587 '1587' ' /'79/' /' wallet providers . for the purposes of anti–money laundering and countering the financing  
of '  
1588 '1588' ' terrorism (aml/cft) ./' '\\  
1589 '1589' ' Back'\  
1590 '1590' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [ 19472: 19844] '\\  
1591 '1591' ' in all cases of/' '\\  
1592 '1592' ' /'167/' /' suspected criminality and , in particular , in cases involving the financing of terrorism ,  
information '  
1593 '1593' ' should flow/' '\\  
1594 '1594' ' /'168/' /' directly and quickly without undue delays . it is therefore essential to further enhance  
the '  
1595 '1595' ' effectiveness and/' '\\  
1596 '1596' ' /'169/' /' efficiency of fius , by clarifying the powers of and cooperation between fius./' '\\  
1597 '1597' ' Back'\  
1598 '1598' ' MaltaParl\\_2018\\_ITAS\\_Act [ 51590: 51877] '\\  
1599 '1599' ' has not been convicted of any of the crimes/' '\\  
1600 '1600' ' /'686/' /' affecting public trust or of theft or of fraud or money/' '\\  
1601 '1601' ' /'687/' /' laundering or of knowingly receiving property obtained by/' '\\  
1602 '1602' ' /'688/' /' theft or fraud ; and/' '\\  
1603 '1603' ' Back'\  
1604 '1604' ' MaltaParl\\_2018\\_MDIA\\_Act [ 20324: 21479] '\\  
1605 '1605' ' provided that should any nominee to such a/' '\\  
1606 '1606' ' /'275/' /' position declare a conflict of interest or potential conflict of/' '\

1607 '1607' ' /'276/' /' interest based on a specific context only and provides full/''\

1608 '1608' ' /'277/' /' information, this may be reviewed by the minister and the/''\

1609 '1609' ' /'278/' /' board, and if the conflict of interest is not considered one/''\

1610 '1610' ' /'279/' /' which would disqualify the nominee, this disqualification shall/''\

1611 '1611' ' /'280/' /' not apply but it shall be the subject of a written guidance on/''\

1612 '1612' ' /'281/' /' the part of the minister, and, or the board which shall apply to/''\

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1614 '1614' ''

1615 '1615' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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1616 '1616' ' /'282/' /' the member for as long as such specific context subsists, and/''\

1617 '1617' ' /'283/' /' this without prejudice to sub-article (9); or/''\

1618 '1618' ' /'284/' /' (d) has been convicted of a criminal offence/''\

1619 '1619' ' /'285/' /' affecting public trust, or of theft or fraud, or of knowingly/''\

1620 '1620' ' /'286/' /' receiving property obtained by theft or fraud or of bribery or of/''\

1621 '1621' ' /'287/' /' money laundering, or of a criminal offence under a regulatory/''\

1622 '1622' ' /'288/' /' law referred to in the second schedule, or is being investigated/''\

1623 '1623' ' /'289/' /' for such criminal offence./''\

1624 '1624' ' Back''\

1625 '1625' ' MaltaParl\\_2018\\_MDIA\\_Act [ 66424: 68270]''\

1626 '1626' ' money laundering. 24. (1) an authorisation holder or persons acting on his/''\

1627 '1627' ' /'863/' /' behalf or under an arrangement with him shall fulfil any prevention/''\

1628 '1628' ' /'864/' /' of money laundering and the combating of terrorism/''\

1629 '1629' ' /'865/' /' obligations as may be imposed on them by means of regulations/''\

1630 '1630' ' /'866/' /' cap. 373. made under article 12 of the prevention of money laundering act./''\

1631 '1631' ' /'867/' /' (2) where the authority discovers facts or obtains/''\

1632 '1632' ' /'868/' /' information that is related to transactions which are known or/''\

1633 '1633' ' /'869/' /' suspected to be related to proceeds of criminal activity or the funding/''\

1634 '1634' ' /'870/' /' of terrorism, or to a person who may have been, is or may be/''\

1635 '1635' ' /'871/' /' connected with money laundering or the funding of terrorism, the/''\

1636 '1636' ' /'872/' /' authority shall disclose those facts or that information, supported by/''\

1637 '1637' ' /'873/' /' the relevant documentation that may be available, to the financial/''\

1638 '1638' ' /'874/' /' intelligence analysis unit in a timely manner./''\

1639 '1639' ' /'875/' /' (3) where through its monitoring, or through any other/''\

1640 '1640' ' /'876/' /' means, the authority notices that there are areas of innovative/''\

1641 '1641' ' /'877/' /' technology arrangements and innovative technology services which/''\

1642 '1642' ' /'878/' /' are vulnerable to money laundering or the funding of terrorism, the/''\

1643 '1643' ' /'879/' /' authority shall inform the national coordinating committee on/''\

1644 '1644' ' /'880/' /' combating money laundering and the funding of terrorism/''\

1645 '1645' ' /'881/' /' established under article 12a of the prevention of money laundering/''\

1646 '1646' '47 of 218

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1647 '1647' ''

1648 '1648' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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1649 '1649' ' /'882/' /' cap. 373./''\

1650 '1650' ' Back''\

1651 '1651' ' MaltaParl\\_2018\\_MDIA\\_Act [ 84487: 85326]''\

1652 '1652' ' (1) the authority may, in furtherance of the further powers of/''\

1653 '1653' ' /'1093/' /' regulatory objectives under this act or any other special law which the authority./''\

1654 '1654' ' /'1094/' /' the authority is entitled to administer or enforce and in applying a/''\

1655 '1655' ' /'1095/' /' risk-based approach in line with the governing principles/''\

1656 '1656' ' /'1096/' /' (a) establish, where appropriate or necessary, by/''\

1657 '1657' ' /'1097/' /' means of binding instruments, more extensive, reduced or/''\

1658 '1658' ' /'1098/' /' amended requirements for an applicant to qualify for/''\

1659 '1659' ' /'1099/' /' recognition or an authorisation in certain pre-defined/''\

1660 '1660' ' /'1100/' /' circumstances; and, or/''\

1661 '1661' ' /'1101/' /' (b) impose on an applicant, where appropriate or/''\

1662 '1662' ' /'1102/' /' necessary, specific additional requirements by means of a/''\

1663 '1663' ' /'1103/' /' binding instrument./''\

1664 '1664' ' Back''\

1665 '1665' ' MaltaParl\\_2018\\_MDIA\\_Act [ 97096: 98390]''\

1666 '1666' ' (g) in any of the circumstances under which the/''\

1667 '1667' ' /'1251/' /' authority would have been precluded from issuing the/''\

1668 '1668' ' /'1252/' /' innovative technology services authorisation under this act or/''\

1669 '1669' ' /'1253/' /' any other special law which the authority is entitled to/''\

1670 '1670' ' /'1254/' /' administer or enforce or where under such act or any other/''\

1671 '1671' ' /'1255/' /' special law which the authority is entitled to administer or/''\

1672 '1672' ' /'1256/' /' enforce it would have been entitled to refuse the grant of such/''\

1673 '1673' ' /'1257/' /' innovative technology authorisation; or/''\

1674 '1674' ' /'1258/' /' (h) after proper communication and investigation, at/''\

1675 '1675' ' /'1259/' /' the written request of another national competent authority, as/''\

1676 '1676' ' /'1260/' /' well as the financial intelligence analysis unit acting under/''\

1677 '1677' ' /'1261/' /' cap. 373./''\

1678 '1678' ' /'1262/' /' the prevention of money laundering act, which is carrying/''\

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1680 '1680' ''
1681 '1681' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\\
1682 '1682' ' /'1263/' /' out regulatory functions in relation to the relevant innovative/' '\\
1683 '1683' ' /'1264/' /' technology services authorisation holder simultaneously with/' '\\
1684 '1684' ' /'1265/' /' the authority./' '\\
1685 '1685' ' Back'\\
1686 '1686' ' MaltaParl\_2018\_MDIA\_Act [101676:101988]' '\\
1687 '1687' ' the prevention of money laundering act which is carrying out/' '\\
1688 '1688' ' /'1315/' /' regulatory functions in relation to the relevant innovative/' '\\
1689 '1689' ' /'1316/' /' technology services authorisation holder simultaneously with/' '\\
1690 '1690' ' /'1317/' /' the authority./' '\\
1691 '1691' ' Back'\\
1692 '1692' ' MaltaParl\_2018\_MDIA\_Act [132959:133510]' '\\
1693 '1693' ' 44. the prosecution of a criminal offence or the initiation of/' '\\
1694 '1694' ' /'1709/' /' offences and/' '\\
1695 '1695' ' /'1710/' /' administrative/' '\\
1696 '1696' ' /'1711/' /' proceedings to impose an administrative fine under this act or under/' '\\
1697 '1697' ' /'1712/' /' infringements. any other special law which the authority is entitled to administer or/' '\\
        \\
1698 '1698' ' /'1713/' /' enforce shall be prescribed by the lapse of two years from the date on/' '\\
1699 '1699' ' /'1714/' /' which the offence or administrative infringement is alleged to have/' '\\
1700 '1700' ' /'1715/' /' been committed./' '\\
1701 '1701' ' Back'\\
1702 '1702' ' MaltaParl\_2018\_VFA\_Act [ 35113: 35313]' '\\
1703 '1703' ' ownership over the assets held under control, place and keep such/' '\\
1704 '1704' ' /'485/' /' assets in a common pool of identical assets or otherwise deposit them/' '\\
1705 '1705' ' /'486/' /' in a clients or common account./' '\\
1706 '1706' ' Back'\\
1707 '1707' ' MaltaParl\_2018\_VFA\_Act [ 38664: 40344]' '\\
1708 '1708' ' 15. (1) a subject person may deposit virtual financial assets deposit of client/' '\\
1709 '1709' ' /'532/' /' virtual financial/' '\\
1710 '1710' ' /'533/' /' held by it on behalf of its clients into an account or accounts opened assets with third/' '\\
        \\
1711 '1711' ' /'534/' /' with a third party: parties./' '\\
1712 '1712' ' /'535/' /' provided that such third party shall:/' '\\
1713 '1713' '49 of 218
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1714 '1714' ''
1715 '1715' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\\
1716 '1716' ' /'536/' /' (a) hold either a licence under this act to provide the/' '\\
1717 '1717' ' /'537/' /' vfa service listed in paragraph 5 of the second schedule/' '\\
1718 '1718' ' /'538/' /' thereto, or is exempt from licensing under regulation 4(1)(o); or/' '\\
1719 '1719' ' /'539/' /' (b) be constituted in a recognised jurisdiction, provided/' '\\
1720 '1720' ' /'540/' /' that the subject person shall disclose to its clients and to the/' '\\
1721 '1721' ' /'541/' /' authority, the arrangements that will be put in place to ensure/' '\\
1722 '1722' ' /'542/' /' adequate safekeeping of assets./' '\\
1723 '1723' ' /'543/' /' (2) the subject person shall exercise all due skill, care and/' '\\
1724 '1724' ' /'544/' /' /' '\\
1725 '1725' ' /'545/' /' b 3376/' '\\
1726 '1726' ' /'546/' /' diligence in the selection, appointment and periodic review of the third/' '\\
1727 '1727' ' /'547/' /' party and of the arrangements for the holding and safekeeping of those/' '\\
1728 '1728' ' /'548/' /' virtual financial assets./' '\\
1729 '1729' ' /'549/' /' (3) the subject person shall, in particular, take into account the/' '\\
1730 '1730' ' /'550/' /' expertise and market reputation of the third party as well as any legal/' '\\
1731 '1731' ' /'551/' /' requirements or market practices related to the holding of virtual/' '\\
1732 '1732' ' /'552/' /' financial assets that could adversely affect the rights of its clients./' '\\
1733 '1733' ' Back'\\
1734 '1734' ' 19 Codings of /'crypto/' from 6 files.' '\\
1735 '1735' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 8352: 8426]' '\\
1736 '1736' ' to promote the development of crypto-assets and the wider use of dlt, it/' '\\
1737 '1737' ' Back'\\
1738 '1738' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 3666: 3947]' '\\
1739 '1739' ' most crypto-assets fall outside the scope of eu financial services legislation and/' '\\
1740 '1740' ' /'45/' /' therefore are not subject to provisions on consumer and investor protection and market/' '\\
        \\
1741 '1741' ' /'46/' /' integrity, among others, although they give rise to these risks. in addition, a number of/' '\\
        \\
1742 '1742' ' Back'\\
1743 '1743' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 6845: 6986]' '\\
1744 '1744' ' more recently, the european parliament is working on a/' '\\
1745 '1745' '50 of 218

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1746 '1746' ' ' file:///C:/Users/benwa/Documents/Studium/  
1747 '1747' 'Codings created by RQDA. UoM\\_Masters/Study/Mast... '\\  
1748 '1748' ' /'84/' /' report on digital finance, which has a particular focus on crypto assets.11/' '\\  
1749 '1749' ' Back '\\  
1750 '1750' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 11776: 12139] '\\  
1751 '1751' ' as part of the fintech action plan adopted in march 201815, the commission mandated the/' '\\  
1752 '1752' ' /'143/' /' european supervisory authorities (esas) to produce advice on the applicability and/' '\\  
1753 '1753' ' /'144/' /' suitability of the existing eu financial services regulatory framework on crypto-assets.  
this/' '\\  
1754 '1754' ' /'145/' /' proposal builds on the advice received from the eba and esma.16/' '\\  
1755 '1755' ' Back '\\  
1756 '1756' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 12844: 13288] '\\  
1757 '1757' ' this proposal is closely linked with wider commission policies on blockchain technology,/' '\\  
1758 '1758' ' /'155/' /' since crypto-assets, as the main application of blockchain technologies, are inextricably  
linked/' '\\  
1759 '1759' ' /'156/' /' to the promotion of blockchain technology throughout europe. this proposal supports a/' '\\  
1760 '1760' ' /'157/' /' holistic approach to blockchain and dlt, which aims at positioning europe at the  
forefront of/' '\\  
1761 '1761' ' /'158/' /' blockchain innovation and uptake.'  
1762 '1762' ' Back '\\  
1763 '1763' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 15188: 16396] '\\  
1764 '1764' ' stablish clear rules for the use of crypto-assets.21 this proposal is consistent with the sme/' '\\  
1765 '1765' ' /'185/' /' strategy adopted on 10 march 2020, which also highlights dlt and crypto-assets as/' '\\  
1766 '1766' ' /'186/' /' innovations that can enable smes to engage directly with investors.22/' '\\  
1767 '1767' ' /'187/' /' finally, the proposal is fully in line with the recommendation in the security union  
strategy/' '\\  
1768 '1768' ' /'188/' /' for the development of a legislative framework in crypto-assets given the growing effect  
of/' '\\  
1769 '1769' ' /'189/' /' these new technologies on how financial assets are issued, exchanged, shared and accessed  
.23/' '\\  
1770 '1770' ' /'190/' /' 2. legal basis, subsidiarity and proportionality/' '\\  
1771 '1771' ' /'191/' /' legal basis/' '\\  
1772 '1772' ' /'192/' /' the proposal is based on article 114 tfeu, which confers on the european institutions the  
/' '\\  
1773 '1773' ' /'193/' /' competence to lay down appropriate provisions for the approximation of laws of the member  
/' '\\  
1774 '1774' ' /'194/' /' states that have as their objective the establishment and functioning of the internal  
market./' '\\  
1775 '1775' ' /'195/' /' the proposal aims to remove obstacles to establishment and improve the functioning of the  
/' '\\  
1776 '1776' ' /'196/' /' internal market for financial services by ensuring that the applicable rules are fully/' '\\  
1777 '1777' ' /'197/' /' harmonised.'  
1778 '1778' ' Back '\\  
1779 '1779' '51 of 218  
6/09/2021, 1:01 am '\\  
1780 '1780' ' ' file:///C:/Users/benwa/Documents/Studium/  
1781 '1781' 'Codings created by RQDA. UoM\\_Masters/Study/Mast... '\\  
1782 '1782' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 43076: 44245] '\\  
1783 '1783' ' referenced tokens and e-money tokens. it indicates that an issuer shall be entitled to offer such/' '\\  
1784 '1784' ' /'495/' /' crypto-assets to the public in the union or seek an admission to trading on a trading  
platform/' '\\  
1785 '1785' ' /'496/' /' for such crypto-assets if it complies with the requirements of article 4, such as the  
obligation/' '\\  
1786 '1786' ' /'497/' /' to be established in the form of a legal person or the obligation to draw up a crypto-  
asset/' '\\  
1787 '1787' ' /'498/' /' white paper in accordance with article 5 (with annex i) and the notification of such a  
crypto-/' '\\  
1788 '1788' ' /'499/' /' asset white paper to the competent authorities (article 7) and its publication (article 8  
). once/' '\\  
1789 '1789' ' /'500/' /' a whitepaper has been published, the issuer of crypto-assets can offer its crypto-assets  
in the/' '\\  
1790 '1790' ' /'501/' /' eu or seeks an admission of such crypto-assets to trading on a trading platform (article  
10)./' '\\  
1791 '1791' ' /'502/' /' article 4 also includes some exemptions from the publication of a whitepaper, including  
for/' '\\  
1792 '1792' ' /'503/' /' small offerings of crypto-assets (below 1 million within a twelve-month period) and/' '\\  
1793 '1793' ' /'504/' /' offerings targeting qualified investors as defined by the prospectus regulation (  
regulation/' '\\  
1794 '1794' ' /'505/' /' eu 2017/1129).'  
1795 '1795' ' Back '\\  
1796 '1796' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [115807:118174] '\\  
1797 '1797' ' (53) to facilitate transparency for holders of crypto-assets as regards the provision of/' '\\



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1798 '1798' ' /'1268/' /' crypto-asset services , esma should establish a register of crypto-asset service/' '\
1799 '1799' ' /'1269/' /'en 25 en/' '\
1800 '1800' ' /'1270/' /'/' '\
1801 '1801' ' /'1271/' /' providers , which should include information on the entities authorised to provide those/
    '\
1802 '1802' ' /'1272/' /' services across the union. that register should also include the crypto-asset white/' '\
1803 '1803' ' /'1273/' /' papers notified to competent authorities and published by issuers of crypto-assets./' '\
1804 '1804' ' /'1274/' /' (54) some firms subject to union legislation on financial services should be allowed to/
    '\
1805 '1805' ' /'1275/' /' provide crypto-asset services without prior authorisation. credit institutions
    authorised/' '\
1806 '1806' ' /'1276/' /' under directive 2013/36/eu should not need another authorisation to provide crypto-/' '\
1807 '1807' ' /'1277/' /' asset services. investment firms authorised under directive 2014/65/eu to provide one/'
    '\
1808 '1808' ' /'1278/' /' or several investment services as defined under that directive similar to the crypto-/'
    '\
1809 '1809' ' /'1279/' /' asset services they intend to provide should also be allowed to provide crypto-asset/'
    '\
1810 '1810' ' /'1280/' /' services across the union without another authorisation./' '\
1811 '1811' '52 of 218

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1812 '1812' '
1813 '1813' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
    UoM\_Masters/Study/Mast... '\
1814 '1814' ' /'1281/' /' (55) in order to ensure consumer protection , market integrity and financial stability ,
    crypto-/' '\
1815 '1815' ' /'1282/' /' asset service providers should always act honestly , fairly and professionally in the
    best/' '\
1816 '1816' ' /'1283/' /' interest of their clients. crypto-asset services should be considered financial
    services /' '\
1817 '1817' ' /'1284/' /' as defined in directive 2002/65/ec of the european parliament and of the council 42./'
    '\
1818 '1818' ' /'1285/' /' where marketed at distance , the contracts between crypto-asset service providers and/'
    '\
1819 '1819' ' /'1286/' /' consumers should be subject to that directive. crypto-asset service providers should/'
    '\
1820 '1820' ' /'1287/' /' provide their clients with clear , fair and not misleading information and warn them/' '\
1821 '1821' ' /'1288/' /' about the risks associated with crypto-assets. crypto-asset service providers should/'
    '\
1822 '1822' ' /'1289/' /' make their pricing policies public , should establish a complaint handling procedure/' '\
1823 '1823' ' /'1290/' /' and should have a robust policy to identify , prevent , manage and disclose conflicts of/'
    '\
1824 '1824' ' /'1291/' /' interest./' '\
1825 '1825' ' Back'\
1826 '1826' ' EUComm\_Proposal\_MiCA\_2020\_0265 [147723:148388] '\
1827 '1827' ' where providing one or more crypto-asset services , credit institutions authorised/' '\
1828 '1828' ' /'1618/' /' under directive 2013/36/eu shall not be subject to the provisions of chapter i of/' '\
1829 '1829' ' /'1619/' /' title v , except articles 57 and 58./' '\
1830 '1830' ' /'1620/' /' 6. investment firms authorised under directive 2014/65/eu shall not be subject to the/'
    '\
1831 '1831' ' /'1621/' /' provisions of chapter i of title v , except articles 57 , 58 , 60 and 61 , where they only/'
    '\
1832 '1832' ' /'1622/' /' provide one or several crypto-asset services equivalent to the investment services and/'
    '\
1833 '1833' ' /'1623/' /' activities for which they are authorised under directive 2014/65/eu. for that/' '\
1834 '1834' ' /'1624/' /' purpose:/' '\
1835 '1835' ' Back'\
1836 '1836' ' EUComm\_Proposal\_MiCA\_2020\_0265 [150545:156477] '\
1837 '1837' ' article 3/' '\
1838 '1838' ' /'1650/' /' definitions/' '\
1839 '1839' ' /'1651/' /' 1. for the purposes of this regulation , the following definitions apply:/' '\
1840 '1840' ' /'1652/' /' (1) distributed ledger technology or dlt means a type of technology that/' '\
1841 '1841' ' /'1653/' /' support the distributed recording of encrypted data;/' '\
1842 '1842' ' /'1654/' /' (2) crypto-asset means a digital representation of value or rights which may be/' '\
1843 '1843' ' /'1655/' /' transferred and stored electronically , using distributed ledger technology or/' '\
1844 '1844' '53 of 218

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1845 '1845' '
1846 '1846' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
    UoM\_Masters/Study/Mast... '\
1847 '1847' ' /'1656/' /' similar technology;/' '\
1848 '1848' ' /'1657/' /' (3) asset-referenced token means a type of crypto-asset that purports to maintain/' '\
1849 '1849' ' /'1658/' /' a stable value by referring to the value of several fiat currencies that are legal/' '\
1850 '1850' ' /'1659/' /' tender , one or several commodities or one or several crypto-assets , or a/' '\
1851 '1851' ' /'1660/' /' combination of such assets;/' '\

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1920 '1920' ' 2. information on the complaints procedures referred to in paragraph 1 shall be made/' '\
1921 '1921' ' /' '4933/' ' ' available on the website of each competent authority and communicated to the eba/' '\
1922 '1922' ' /' '4934/' ' ' and esma. esma shall publish the references to the complaints procedures related/' '\
1923 '1923' ' /' '4935/' ' ' sections of the websites of the competent authorities in its crypto–asset register/' '\
1924 '1924' ' /' '4936/' ' ' referred to in article 57./' '\
1925 '1925' ' Back'\
1926 '1926' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 1467: 2313]' '\
1927 '1927' ' details of the issuer s financial track record for the last 3 years or where the issuer/' '\
1928 '1928' ' /' '26/' ' ' has not been established for the last 3 years, the issuer s financial track record since/' '\
1929 '1929' ' /' '27/' ' ' the date of its registration. where the offer concerns utility tokens that can be/' '\
1930 '1930' ' /' '28/' ' ' effectively exchanged for a product or service upon issuance, the issuer shall be/' '\
1931 '1931' ' /' '29/' ' ' exempted from this requirement./' '\
1932 '1932' ' /' '30/' ' ' part b: information about the project/' '\
1933 '1933' ' /' '31/' ' ' 1. name of the project or the crypto–assets (if different than the issuer s name);/' '\
1934 '1934' ' /' '32/' ' ' 2. details of all natural or legal persons (including addresses and/or domicile of the/' '\
1935 '1935' ' /' '33/' ' ' company) involved in project implementation, such as advisors, development team/' '\
1936 '1936' ' /' '34/' ' ' and crypto–asset service providers;/' '\
1937 '1937' ' Back'\
1938 '1938' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 5709: 5836]' '\
1939 '1939' ' information on the manner and time schedule of transferring the purchased crypto–/' '\
1940 '1940' ' /' '76/' ' ' assets to the holders;/' '\
1941 '1941' ' Back'\
1942 '1942' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 5854: 6028]' '\
1943 '1943' ' where applicable, name of the crypto–asset service provider in charge of the/' '\
1944 '1944' ' 56 of 218

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1945 '1945' '
1946 '1946' 'Codings created by RODA. file:///C:/Users/benwa/Documents/Studium/
    UoM_Masters/Study/Mast... '\\
1947 '1947' ' /'78/' /' placement of crypto-assets and the form of such placement (guaranteed or not);/' '\\
1948 '1948' ' Back'\\
1949 '1949' ' EUPar\\_Directive\\_AMLDV\\_2018\\_843 [ 67895: 68117]'\\
1950 '1950' ' (19) custodian wallet provider means an entity that provides services to safeguard private
    cryptographic
1951 '1951' ' keys/' '\\
1952 '1952' ' /'575/' /' on behalf of its customers, to hold, store and transfer virtual currencies. ;/' '\\
1953 '1953' ' Back'\\
1954 '1954' ' MaltaPar\\_2018\\_ITAS\\_Act [ 70724: 72970]'\\
1955 '1955' ' innovative technology arrangements/' '\\
1956 '1956' ' /'938/' /' the following shall be considered to be innovative technology/' '\\
1957 '1957' ' /'939/' /' arrangements for the purposes of this act:/' '\\
1958 '1958' ' /'940/' /' 1. software and architectures which are used in designing/' '\\
1959 '1959' ' /'941/' /' and delivering dlt which ordinarily, but not necessarily:/' '\\
1960 '1960' ' /'942/' /' (a) uses a distributed, decentralized, shared/' '\\
1961 '1961' ' /'943/' /' and, or replicated ledger;/' '\\
1962 '1962' ' /'944/' /' (b) may be public or private or hybrids thereof;/' '\\
1963 '1963' ' /'945/' /' (c) is permissioned or permissionless or/' '\\
1964 '1964' ' /'946/' /' hybrids thereof;/' '\\
1965 '1965' ' /'947/' /' (d) is secure to a high level against retrospective/' '\\
1966 '1966' ' /'948/' /' tampering, such that the history of transactions cannot/' '\\
1967 '1967' ' /'949/' /' be replaced;/' '\\
1968 '1968' ' /'950/' /' (e) is protected with cryptography; and/' '\\
1969 '1969' ' /'951/' /' (f) is auditable;/' '\\
1970 '1970' ' /'952/' /' 2. software and other architectures, not necessarily used in/' '\\
1971 '1971' ' /'953/' /' the context of dlt, smart contracts and related applications as well/' '\\
1972 '1972' ' /'954/' /' as other similar arrangements, but which are used or meant to be/' '\\
1973 '1973' ' /'955/' /' used, as a stand-alone or as part of a solution in sectors and areas/' '\\
1974 '1974' ' /'956/' /' which are deemed to be of a risky or critical nature, where their/' '\\
1975 '1975' ' /'957/' /' failure or misuse could amongst other things result in loss of life,/' '\\
1976 '1976' ' /'958/' /' grave prejudice to the well-being and rights of natural persons,/' '\\
1977 '1977' ' /'959/' /' significant asset loss or damage and significant damage to the/' '\\
1978 '1978' '57 of 218

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1979 '1979' ' '
1980 '1980' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM_Masters/Study/Mast... '\\
1981 '1981' ' ' '960/' ' ' environment./ '\\
1982 '1982' ' ' '961/' ' ' 3. smart contracts and related applications, including/' '\\
1983 '1983' ' ' '962/' ' ' decentralised autonomous organisations, as well as other similar/' '\\
1984 '1984' ' ' '963/' ' ' arrangements;/' '\\
1985 '1985' ' ' '964/' ' ' 4. any other innovative technology arrangement which may/' '\\
1986 '1986' ' ' '965/' ' ' be designated by the minister, on the recommendation of the/' '\\
1987 '1987' ' ' Back' '\\

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1988 '1988' ' MaltaParl\\_2018\\_MDIA\\_Act [ 32125: 32542] '\

1989 '1989' ' cryptography in the context of/' '\

1990 '1990' ' /'428/' ' innovative technology arrangements as well as the uses/' '\

1991 '1991' ' /'429/' ' thereof, the development of standards within the industry and/' '\

1992 '1992' ' /'430/' ' all related matters, so as to ensure that activity in malta is/' '\

1993 '1993' ' /'431/' ' generally consistent with internationally recognised standards/' '\

1994 '1994' ' /'432/' ' and norms of good practice;/' '\

1995 '1995' ' Back'\

1996 '1996' ' MaltaParl\\_2018\\_MDIA\\_Act [ 116794:118344] '\

1997 '1997' ' enforcement and sanctions/' '\

1998 '1998' ' /'1504/' 'provision of 39. (1) without prejudice to the enforcement powers/' '\

1999 '1999' ' /'1505/' 'information. that it has at law, the authority may require any person to provide it/' '\

2000 '2000' ' /'1506/' ' with any information, including information on codes, software/' '\

2001 '2001' ' /'1507/' ' protocols, and financial information, that the authority considers/' '\

2002 '2002' ' /'1508/' ' necessary for the purpose of ensuring the quality and integrity/' '\

2003 '2003' ' /'1509/' ' standards required by this act for purposes of recognition or/' '\

2004 '2004' ' /'1510/' ' compliance with the provisions of this act or any other special law/' '\

2005 '2005' ' /'1511/' ' which the authority is entitled to administer or enforce, or decisions/' '\

2006 '2006' ' /'1512/' ' or directives made in accordance with this act or such other special/' '\

2007 '2007' ' /'1513/' ' law:/' '\

2008 '2008' ' /'1514/' ' provided that nothing in this sub-article shall imply the/' '\

2009 '2009' ' /'1515/' ' power of the authority to request information relating to confidential/' '\

2010 '2010' ' /'1516/' ' source codes for software which is commercially sensitive or to/' '\

2011 '2011' ' 58 of 218

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2012 '2012' ' '

2013 '2013' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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2014 '2014' ' /'1517/' ' cryptographic keys owned personally by such person, but this shall/' '\

2015 '2015' ' /'1518/' ' not interfere with the powers of any other national competent/' '\

2016 '2016' ' /'1519/' ' authority under applicable law in relation to the enforcement of such/' '\

2017 '2017' ' /'1520/' ' applicable law./' '\

2018 '2018' ' Back'\

2019 '2019' ' MaltaParl\\_2018\\_VFA\\_Act [ 2704: 3133] '\

2020 '2020' ' hall extend to any/' '\

2021 '2021' ' /'41/' ' /' '\

2022 '2022' ' /'42/' ' b 3364/' '\

2023 '2023' ' /'43/' ' physical or digital representation of such assets or to a right to/' '\

2024 '2024' ' /'44/' ' transact such assets or any physical or electronic device, keys,/' '\

2025 '2025' ' /'45/' ' codes or any other information which gives the custodian control/' '\

2026 '2026' ' /'46/' ' or access to such virtual financial assets, including private/' '\

2027 '2027' ' /'47/' ' cryptographic keys belonging to the client;/' '\

2028 '2028' ' Back'\

2029 '2029' ' 12 Codings of /'duty/' from 3 files. '\

2030 '2030' ' MaltaParl\\_2018\\_ITAS\\_Act [ 49007: 49612] '\

2031 '2031' ' all authorisations under this act shall be for the renewals of/' '\

2032 '2032' ' /'654/' 'periods of validity and effect as stated in the third schedule and shall certifications  
and/' '\

2033 '2033' ' /'655/' ' registrations./' '\

2034 '2034' ' /'656/' 'be presumed to expire on the first working day after the relevant/' '\

2035 '2035' ' /'657/' 'anniversary of the date of authorisation as appears on the certificate/' '\

2036 '2036' ' /'658/' 'confirming the authorisation./' '\

2037 '2037' ' /'659/' ' (2) it shall be the duty of an innovative technology/' '\

2038 '2038' ' /'660/' 'authorisation holder to ensure that the authorisation is kept valid and/' '\

2039 '2039' ' Back'\

2040 '2040' ' MaltaParl\\_2018\\_ITAS\\_Act [ 68075: 68651] '\

2041 '2041' ' further regulate resident agents and their /' '\

2042 '2042' ' /'902/' ' /' '\

2043 '2043' ' 59 of 218  
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2044 '2044' ' '

2045 '2045' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\

2046 '2046' ' /'903/' ' functions and duties and prescribe how such functions are to /' '\

2047 '2047' ' /'904/' ' be carried out keeping in view the functions and duties of a /' '\

2048 '2048' ' /'905/' ' cap. 590./' '\

2049 '2049' ' /'906/' ' via agent under the virtual financial assets act, when such/' '\

2050 '2050' ' /'907/' ' person is appointed under and for the purposes of such act;/' '\

2051 '2051' ' Back'\

2052 '2052' ' MaltaParl\\_2018\\_ITAS\\_Act [ 69205: 69770] '\

2053 '2053' ' establish the circumstances in which any persons/' '\

2054 '2054' ' /'916/' ' involved in connection with an authorisation holder, including/' '\

2055 '2055' ' /'917/' ' any systems auditor or technical administrator, are obliged to/' '\

2056 '2056' ' /'918/' ' communicate information to the authority, prescribe/' '\

2057 '2057' ' /'919/' ' regulations governing the disclosure by systems auditors or/' '\

2058 '2058' ' /'920/' ' technical administrators of information and establish/' '\

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2129 '2129' ' /'1661/' /'notified the persons concerned of their duty of non-disclosure./''\\
2130 '2130' ' /'1662/' /' (3) a person who contravenes the provisions of this article/'''\\
2131 '2131' ' /'1663/' /'shall be guilty of an offence against this act and shall on conviction/'''\\
2132 '2132' ' /'1664/' /'be liable to a fine (multa) not exceeding ten thousand euro ( 10,000)./'''\\
2133 '2133' ' /'1665/' /' (4) nothing in this article shall prevent the disclosure of any/'''\\
2134 '2134' ' /'1666/' /'information to the authority or, by or on behalf of the authority to/'''\\
2135 '2135' ' /'1667/' /'the minister or as may be required at law./''\\
2136 '2136' ' Back'\\
2137 '2137' ' MaltaParl\_2018\_VFA\_Act [ 30382: 31924]'\\
2138 '2138' ' /'422/' /' (5) where a subject person is obliged to enter into agreements/'''\\
2139 '2139' ' /'423/' /'that create such security interests, liens or rights of set-off, it shall/'''\\
2140 '2140' ' /'424/' /'disclose that information to clients indicating to them the risks/'''\\
2141 '2141' ' /'425/' /'associated with those arrangements./''\\
2142 '2142' ' /'426/' /' (6) where security interests, liens or rights of set-off are/'''\\
2143 '2143' ' /'427/' /'granted by the subject person over assets belonging to the client, or/'''\\
2144 '2144' '62 of 218
        6/09/2021, 1:01 am'\\
2145 '2145' ' '
2146 '2146' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\\
2147 '2147' ' /'428/' /'where the subject person has been informed that they are granted./''\\
2148 '2148' ' /'429/' /'these shall be recorded in the client s contracts and the subject person s/'''\\
2149 '2149' ' /'430/' /'own accounts to make the ownership status of the client s assets clear./''\\
2150 '2150' ' /'431/' /'such as in the event of an insolvency./''\\
2151 '2151' ' /'432/' /' 13. (1) the delivery of the assets of a client to a subject applicability of/'''\\
2152 '2152' ' /'433/' /' duty on/'''\\
2153 '2153' ' /'434/' /'person and from a subject person to a client or another subject person documents and/'''\\
2154 '2154' ' /'435/' /'for the purpose of the control of assets in terms of these regulations transfers act and/'
        '\\
2155 '2155' ' /'436/' /' income tax act./''\\
2156 '2156' ' /'437/' /'shall not be deemed to constitute a chargeable transfer for the purposes/'''\\
2157 '2157' ' /'438/' /'of the duty on documents and transfers act and for the purposes of cap.364./''\\
2158 '2158' ' /'439/' /'article 5(1) of the income tax act, where the delivery of such assets cap.123./''\\
2159 '2159' ' /'440/' /'does not constitute a change in the beneficial owner of the assets./''\\
2160 '2160' ' Back'\\
2161 '2161' ' MaltaParl\_2018\_VFA\_Act [ 44155: 45942]'\\
2162 '2162' ' 17. (1) a subject person shall not use virtual financial assets use of client/'''\\
2163 '2163' ' /'603/' /' virtual financial/'''\\
2164 '2164' ' /'604/' /'which it holds on behalf of a client for its own account or for the assets./''\\
2165 '2165' ' /'605/' /'account of any other person or client of the subject person, unless both/'''\\
2166 '2166' ' /'606/' /'of the following conditions are met/'''\\
2167 '2167' ' /'607/' /' (a) the client has given his prior written consent to the/'''\\
2168 '2168' ' /'608/' /' use of the virtual financial assets on specified terms; and/'''\\
2169 '2169' ' /'609/' /' (b) the use of that client s virtual financial assets is/'''\\
2170 '2170' ' /'610/' /' restricted to the specific terms to which the client consents./''\\
2171 '2171' ' /'611/' /' (2) the records of the subject person shall include details of/'''\\
2172 '2172' ' /'612/' /'each client on whose instructions the use of virtual financial assets has/'''\\
2173 '2173' ' /'613/' /'been affected as well as the number of virtual financial assets/'''\\
2174 '2174' ' /'614/' /'belonging to each client who has given his consent, so as to enable the/'''\\
2175 '2175' ' /'615/' /'correct allocation of any loss./''\\
2176 '2176' ' /'616/' /' (3) the subject person shall take appropriate measures to/'''\\
2177 '2177' '63 of 218
        1, 1:01 am'\\
2178 '2178' ' '
2179 '2179' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\\
2180 '2180' ' /'617/' /'prevent the unauthorised use of client virtual financial assets for its/'''\\
2181 '2181' ' /'618/' /'own account or the account of any other person./''\\
2182 '2182' ' /'619/' /' (4) the subject person shall adopt specific arrangements for all/'''\\
2183 '2183' ' /'620/' /'clients to ensure that the borrower of client virtual financial assets/'''\\
2184 '2184' ' /'621/' /'provides the appropriate collateral./''\\
2185 '2185' ' /'622/' /' (5) the subject person shall monitor the continued/'''\\
2186 '2186' ' /'623/' /'appropriateness of the collateral referred to in sub-regulation (4) and/'''\\
2187 '2187' ' /'624/' /'/'''\\
2188 '2188' ' /'625/' /'b 3378/'''\\
2189 '2189' ' /'626/' /' take the necessary steps to maintain the balance with the value of/'''\\
2190 '2190' ' /'627/' /' client virtual financial assets./''\\
2191 '2191' ' Back'\\
2192 '2192' ' 17 Codings of /'enable/' from 4 files.'\\
2193 '2193' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 8352: 8426]'\\
2194 '2194' ' to promote the development of crypto-assets and the wider use of dlt, it/'''\\
2195 '2195' ' Back'\\
2196 '2196' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 831: 1976]'\\
2197 '2197' ' context of the proposal/'''\\
2198 '2198' ' /'15/' /' reasons for and objectives of the proposal/'''\\
2199 '2199' ' /'16/' /' this proposal is part of the digital finance package, a package of measures to further

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2247 '2247' ' Back '\\  
2248 '2248' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [112066:113118] '\\  
2249 '2249' ' (47) the crypto-asset white paper produced by an issuer of e-money tokens should contain/' '\\  
2250 '2250' ' /'1228/' /' all the relevant information concerning that issuer and the offer of e-money tokens or/' '\\  
2251 '2251' ' /'1229/' /' their admission to trading on a trading platform for crypto-assets that is necessary to/' '\\  
2252 '2252' ' /'1230/' /' enable potential buyers to make an informed purchase decision and understand the/' '\\  
2253 '2253' ' /'1231/' /' risks relating to the offer of e-money tokens. the crypto-asset white paper should also/' '\\  
2254 '2254' ' /'1232/' /' explicitly indicate that holders of e-money tokens are provided with a claim in the/' '\\  
2255 '2255' ' /'1233/' /' form of a right to redeem their e-money tokens against fiat currency at par value and at/' '\\  
2256 '2256' ' /'1234/' /' any moment./' '\\  
2257 '2257' ' /'1235/' /' (48) where an issuer of e-money tokens invests the funds received in exchange for e-/' '\\  
2258 '2258' ' /'1236/' /' money tokens, such funds should be invested in assets denominated in the same/' '\\  
2259 '2259' ' /'1237/' /' currency as the one that the e-money token is referencing to avoid cross-currency/' '\\  
2260 '2260' ' /'1238/' /' risks./' '\\  
2261 '2261' ' Back '\\  
2262 '2262' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [551843:552627] '\\  
2263 '2263' ' 1.4.1. general objective(s)/' '\\  
2264 '2264' ' /'6308/' /' this initiative has four general objectives. the first is to provide legal clarity and certainty to/' '\\  
2265 '2265' ' /'6309/' /' promote the safe development of crypto-assets and use of dlt in financial services. secondly,/' '\\  
2266 '2266' ' /'6310/' /' the initiative should support innovation and fair competition by creating an enabling/' '\\  
2267 '2267' ' /'6311/' /' framework for the issuance and provision of services related to crypto-assets. the third/' '\\  
2268 '2268' ' /'6312/' /' objective is to ensure a high level of consumer and investor protection and market integrity,/' '\\  
2269 '2269' ' /'6313/' /' and the fourth is to address potential financial stability and monetary policy risks that could/' '\\  
2270 '2270' ' /'6314/' /' arise from an increased use of crypto-assets and dlt./' '\\  
2271 '2271' ' Back '\\  
2272 '2272' ' MaltaParl\\_2018\\_ITAS\\_Act [ 28334: 29175] '\\  
2273 '2273' ' (iii) has in-built technology features, to enable/' '\\  
2274 '2274' ' /'382/' /' the technical administrator to intervene in a/' '\\  
2275 '2275' ' /'383/' /' transparent and effective manner in the event of -/' '\\  
2276 '2276' ' 66 of 218  
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2277 '2277' ' '  
2278 '2278' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\\  
2279 '2279' ' /'384/' /' (a) a material cause of loss to any user;/' '\\  
2280 '2280' ' /'385/' /' or/' '\\  
2281 '2281' ' /'386/' /' (b) a material breach of law,/' '\\  
2282 '2282' ' /'387/' /' so as to ensure that the cause of loss or breach of law/' '\\  
2283 '2283' ' /'388/' /' is satisfactorily addressed to the best of his abilities/' '\\  
2284 '2284' ' /'389/' /' and to ensure it does not occur or re-occur, and in/' '\\  
2285 '2285' ' /'390/' /' case of unjustifiable failure by the technical/' '\\  
2286 '2286' ' /'391/' /' administrator, on the intervention of the authority;/' '\\  
2287 '2287' ' /'392/' /' (e) the specific purposes, qualities, features,/' '\\  
2288 '2288' ' /'393/' /' attributes, limitations, conditions, terms of service and/' '\\  
2289 '2289' ' Back '\\  
2290 '2290' ' MaltaParl\\_2018\\_ITAS\\_Act [ 31963: 32619] '\\  
2291 '2291' ' and proceed to issue a certification of the said innovative technology/' '\\  
2292 '2292' ' /'430/' /' arrangement conditionally upon compliance within the time frames/' '\\  
2293 '2293' ' /'431/' /' agreed with the applicant and subject to the additional condition that/' '\\  
2294 '2294' ' /'432/' /' a systems auditor who has been registered under this act and who/' '\\  
2295 '2295' ' /'433/' /' maintains such recognition at all relevant times issues a positive/' '\\  
2296 '2296' ' /'434/' /' assurance that the necessary actions and modifications have been/' '\\  
2297 '2297' ' /'435/' /' made to the innovative technology arrangement to achieve the agreed/' '\\  
2298 '2298' ' /'436/' /' outcomes and compliance with this article./' '\\  
2299 '2299' ' Back '\\  
2300 '2300' ' MaltaParl\\_2018\\_MDIA\\_Act [ 27580: 27841] '\\  
2301 '2301' ' promote the general interest and legitimate/' '\\  
2302 '2302' ' /'366/' /' expectations of users of innovative technology arrangements/' '\\  
2303 '2303' ' /'367/' /' and innovative technology services and promote fair/' '\\  
2304 '2304' ' /'368/' /' competition, practices and consumer choice in the sector;/' '\\  
2305 '2305' ' Back '\\  
2306 '2306' ' MaltaParl\\_2018\\_MDIA\\_Act [ 14516: 14861] '\\  
2307 '2307' ' (i) to promote, and if required enforce, ethical and/' '\\  
2308 '2308' ' /'199/' /' legitimate criteria in the design and use of innovative/' '\\  
2309 '2309' ' /'200/' /' technology arrangements and any application, software or/' '\\  
2310 '2310' ' 67 of 218



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2311 '2311' ''
2312 '2312' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\Masters/Study/Mast... '\\
2313 '2313' ' /'201/' /'derivative product from it or intrinsically part of or connected/' '\\
2314 '2314' ' /'202/' /'to it as well as to ensure quality of services and security/' '\\
2315 '2315' ' /'203/' /'therein;/' '\\
2316 '2316' ' Back' '\\
2317 '2317' ' MaltaParl\2018\MDIA\Act [ 15299: 15531]' '\\
2318 '2318' ' (k) to promote transparency and auditability in the/' '\\
2319 '2319' ' /'212/' /'use of innovative technology arrangements, and any/' '\\
2320 '2320' ' /'213/' /'application, software, or derivative product from it or/' '\\
2321 '2321' ' /'214/' /'intrinsically part of or connected to it;/' '\\
2322 '2322' ' Back' '\\
2323 '2323' ' MaltaParl\2018\MDIA\Act [ 16178: 16606]' '\\
2324 '2324' ' (m) to promote legal certainty in the application of/' '\\
2325 '2325' ' /'224/' /' laws, in a national and cross-border context, and the/' '\\
2326 '2326' ' /'225/' /' development of appropriate legal principles for the effective/' '\\
2327 '2327' ' /'226/' /' application of law to innovative technology arrangements./' '\\
2328 '2328' ' /'227/' /' (3) the authority shall encourage the development of/' '\\
2329 '2329' ' Back' '\\
2330 '2330' ' MaltaParl\2018\VFA\Act [ 35113: 35313]' '\\
2331 '2331' ' ownership over the assets held under control, place and keep such/' '\\
2332 '2332' ' /'485/' /' assets in a common pool of identical assets or otherwise deposit them/' '\\
2333 '2333' ' /'486/' /' in a clients or common account./' '\\
2334 '2334' ' Back' '\\
2335 '2335' ' MaltaParl\2018\VFA\Act [ 38664: 40344]' '\\
2336 '2336' ' 15. (1) a subject person may deposit virtual financial assets deposit of client/' '\\
2337 '2337' ' /'532/' /' virtual financial/' '\\
2338 '2338' ' /'533/' /'held by it on behalf of its clients into an account or accounts opened assets with third/'
' '\\
2339 '2339' ' /'534/' /'with a third party: parties./' '\\
2340 '2340' ' /'535/' /' provided that such third party shall:/' '\\
2341 '2341' ' /'536/' /' (a) hold either a licence under this act to provide the/' '\\
2342 '2342' ' /'537/' /' vfa service listed in paragraph 5 of the second schedule/' '\\
2343 '2343' ' /'538/' /' thereto, or is exempt from licensing under regulation 4(1)(o); or/' '\\
2344 '2344' '68 of 218
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2345 '2345' ''
2346 '2346' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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2347 '2347' ' /'539/' /' (b) be constituted in a recognised jurisdiction, provided/' '\\
2348 '2348' ' /'540/' /' that the subject person shall disclose to its clients and to the/' '\\
2349 '2349' ' /'541/' /' authority, the arrangements that will be put in place to ensure/' '\\
2350 '2350' ' /'542/' /' adequate safekeeping of assets./' '\\
2351 '2351' ' /'543/' /' (2) the subject person shall exercise all due skill, care and/' '\\
2352 '2352' ' /'544/' /'/' '\\
2353 '2353' ' /'545/' /'b 3376/' '\\
2354 '2354' ' /'546/' /' diligence in the selection, appointment and periodic review of the third/' '\\
2355 '2355' ' /'547/' /' party and of the arrangements for the holding and safekeeping of those/' '\\
2356 '2356' ' /'548/' /' virtual financial assets./' '\\
2357 '2357' ' /'549/' /' (3) the subject person shall, in particular, take into account the/' '\\
2358 '2358' ' /'550/' /' expertise and market reputation of the third party as well as any legal/' '\\
2359 '2359' ' /'551/' /' requirements or market practices related to the holding of virtual/' '\\
2360 '2360' ' /'552/' /' financial assets that could adversely affect the rights of its clients./' '\\
2361 '2361' ' Back' '\\
2362 '2362' ' MaltaParl\2018\VFA\Act [ 44155: 45942]' '\\
2363 '2363' ' 17. (1) a subject person shall not use virtual financial assets use of client/' '\\
2364 '2364' ' /'603/' /' virtual financial/' '\\
2365 '2365' ' /'604/' /'which it holds on behalf of a client for its own account or for the assets./' '\\
2366 '2366' ' /'605/' /'account of any other person or client of the subject person, unless both/' '\\
2367 '2367' ' /'606/' /'of the following conditions are met:/' '\\
2368 '2368' ' /'607/' /' (a) the client has given his prior written consent to the/' '\\
2369 '2369' ' /'608/' /' use of the virtual financial assets on specified terms; and/' '\\
2370 '2370' ' /'609/' /' (b) the use of that client's virtual financial assets is/' '\\
2371 '2371' ' /'610/' /' restricted to the specific terms to which the client consents./' '\\
2372 '2372' ' /'611/' /' (2) the records of the subject person shall include details of/' '\\
2373 '2373' ' /'612/' /'each client on whose instructions the use of virtual financial assets has/' '\\
2374 '2374' ' /'613/' /'been affected as well as the number of virtual financial assets/' '\\
2375 '2375' ' /'614/' /'belonging to each client who has given his consent, so as to enable the/' '\\
2376 '2376' ' /'615/' /'correct allocation of any loss./' '\\
2377 '2377' '69 of 218
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2378 '2378' ''
2379 '2379' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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2380 '2380' ' ' /'616/' /' (3) the subject person shall take appropriate measures to/' '\\

2381 '2381' ' ' /'617/' /' prevent the unauthorised use of client virtual financial assets for its/' '\\

2382 '2382' ' ' /'618/' /' own account or the account of any other person./' '\\

2383 '2383' ' ' /'619/' /' (4) the subject person shall adopt specific arrangements for all/' '\\

2384 '2384' ' ' /'620/' /' clients to ensure that the borrower of client virtual financial assets/' '\\

2385 '2385' ' ' /'621/' /' provides the appropriate collateral./' '\\

2386 '2386' ' ' /'622/' /' (5) the subject person shall monitor the continued/' '\\

2387 '2387' ' ' /'623/' /' appropriateness of the collateral referred to in sub-regulation (4) and/' '\\

2388 '2388' ' ' /'624/' /' /' '\\

2389 '2389' ' ' /'625/' /' b 3378/' '\\

2390 '2390' ' ' /'626/' /' take the necessary steps to maintain the balance with the value of/' '\\

2391 '2391' ' ' /'627/' /' client virtual financial assets./' '\\

2392 '2392' ' ' Back '\\

2393 '2393' ' ' 50 Codings of /'enforce/' from 5 files.' '\\

2394 '2394' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 3572: 3664] '\\

2395 '2395' ' ' beyond eu legislation aimed at combating money laundering and terrorism/' '\\

2396 '2396' ' ' /'44/' /' financing'

2397 '2397' ' ' Back '\\

2398 '2398' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 34204: 35306] '\\

2399 '2399' ' ' option 3 measures aimed at limiting the use of stablecoins within the eu /' '\\

2400 '2400' ' ' /'398/' /' option 3 would be to restrict the issuance of stablecoins and the provision of services related/' '\\

2401 '2401' ' ' /'399/' /' to this type of crypto-asset. this approach could potentially be justified, as the risks posed by/' '\\

2402 '2402' ' ' /'400/' /' stablecoins and in particular those that could reach global scale (including risks to financial/' '\\

2403 '2403' ' ' /'401/' /' stability, monetary policy and monetary sovereignty) would exceed the benefits offered to eu/' '\\

2404 '2404' ' ' /'402/' /' consumers in terms of fast, cheap, efficient and inclusive means of payment. however, option/' '\\

2405 '2405' ' ' /'403/' /' 3 would not only create costs for stablecoins already in operation, but it would also prevent/' '\\

2406 '2406' ' ' /'404/' /' the reaping of any benefits related to this new type of crypto-assets. option 3 would not be/' '\\

2407 '2407' ' ' /'405/' /' consistent with the objectives set at eu level to promote innovation in the financial sector./' '\\

2408 '2408' ' ' 70 of 218

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2409 '2409' ' ' ' '

2410 '2410' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\\

2411 '2411' ' ' /'406/' /' furthermore, option 3 could leave some financial stability risks unaddressed, should eu/' '\\

2412 '2412' ' ' /'407/' /' consumers widely use stablecoins issued in third countries./' '\\

2413 '2413' ' ' Back '\\

2414 '2414' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 45112: 45676] '\\

2415 '2415' ' ' after the notification of the crypto-asset/' '\\

2416 '2416' ' ' /'514/' /' white paper, competent authorities will have the power to suspend or prohibit the offering ,/' '\\

2417 '2417' ' ' /'515/' /' require the inclusion of additional information in the crypto-asset white paper or make public/' '\\

2418 '2418' ' ' /'516/' /' the fact that the issuer is not complying with the regulation (article 7). title ii also includes/' '\\

2419 '2419' ' ' /'517/' /' specific provisions on the offers of crypto-assets that are limited in time (article 9), the/' '\\

2420 '2420' ' ' /'518/' /' amendments of an initial crypto-asset white paper (article 11), the right of withdrawal/' '\\

2421 '2421' ' ' Back '\\

2422 '2422' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 73896: 74348] '\\

2423 '2423' ' ' any/' '\\

2424 '2424' ' ' /'822/' /' definition of crypto-assets should therefore correspond to the definition of virtual/' '\\

2425 '2425' ' ' /'823/' /' assets set out in the recommendations of the financial action task force (fatf)34./' '\\

2426 '2426' ' ' /'824/' /' for the same reason, any list of crypto-asset services should also encompass virtual/' '\\

2427 '2427' ' ' /'825/' /' asset services that are likely to raise money-laundering concerns and that are identified /' '\\

2428 '2428' ' ' /'826/' /' as such by the fatf./' '\\

2429 '2429' ' ' Back '\\

2430 '2430' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [495304:496041] '\\

2431 '2431' ' ' the eba may also require competent authorities to carry out specific investigatory/' '\\

2432 '2432' ' ' /'5670/' /' tasks and on-site inspections as provided for in this article and in article 105(1) on/' '\\

2433 '2433' ' ' /'5671/' /' its behalf./' '\\

2434 '2434' ' ' /'5672/' /' 8. where the officials and other accompanying persons authorised by the eba find that/' '\\

' '\\

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2561 '2561' ' /'145/' /' exempting any innovative technology arrangement or any innovative/' '\
2562 '2562' ' /'146/' /' technology service provider from the provisions of any other law,/' '\
2563 '2563' ' /'147/' /' including other regulatory laws requiring authorisations or similar/' '\
2564 '2564' ' /'148/' /' approvals:/' '\
2565 '2565' ' Back'\
2566 '2566' ' MaltaParl\_2018\_ITAS\_Act [ 75329: 75554] '\
2567 '2567' ' 8(4)(a) and other articles in this act, any other special laws the/' '\
2568 '2568' ' /'1005/' /' authority is entitled to administer or enforce or any rules or/' '\
2569 '2569' ' /'1006/' /' guidelines which may refer to the same concept./' '\
2570 '2570' ' Back'\
2571 '2571' ' MaltaParl\_2018\_MDIA\_Act [ 27308: 27552] '\
2572 '2572' ' keep under review all practices, operations and/' '\
2573 '2573' ' /'362/' /' activities relating to any matter regulated by or under this act/' '\
2574 '2574' ' /'363/' /' or any other special law which the authority is entitled to/' '\
2575 '2575' ' /'364/' /' administer or enforce;/' '\
2576 '2576' ' Back'\
2577 '2577' ' MaltaParl\_2018\_MDIA\_Act [ 28255: 28608] '\
2578 '2578' ' regulate the innovative technology products,/' '\
2579 '2579' '75 of 218

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2580 '2580' '
2581 '2581' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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2582 '2582' ' /'375/' /' operations or activities relating to any matter regulated by any/' '\
2583 '2583' ' /'376/' /' special law which the authority is entitled to administer or/' '\
2584 '2584' ' /'377/' /' enforce, and ensure high standards of conduct and governance/' '\
2585 '2585' ' /'378/' /' throughout the innovative technology arrangements industry;/' '\
2586 '2586' ' Back'\
2587 '2587' ' MaltaParl\_2018\_MDIA\_Act [ 7497: 8433] '\
2588 '2588' ' /'approval, confirmation, certification by or registration with the/' '\
2589 '2589' ' /'103/' /' authority in terms of any special law which the authority is entitled/' '\
2590 '2590' ' /'104/' /' to administer or enforce and the terms 'authorisation' or/' '\
2591 '2591' ' /'105/' /' 'authorisation holder' in the provisions of this act shall be construed/' '\
2592 '2592' ' /'106/' /' as a reference to the relevant form of recognition, or the holder/' '\
2593 '2593' ' /'107/' /' thereof, as the case may be;/' '\
2594 '2594' ' /'108/' /' 'smart contract' means a form of innovative technology/' '\
2595 '2595' ' /'109/' /' arrangement consisting of/' '\
2596 '2596' ' /'110/' /' (a) a computer protocol; and, or/' '\
2597 '2597' ' /'111/' /' (b) an agreement concluded wholly or partly in an/' '\
2598 '2598' ' /'112/' /' electronic form, which is automatable and enforceable by/' '\
2599 '2599' ' /'113/' /' execution of computer code, although some parts may require/' '\
2600 '2600' ' /'114/' /' human input and control and which may be also enforceable by/' '\
2601 '2601' ' /'115/' /' ordinary legal methods or by a mixture of both;/' '\
2602 '2602' ' Back'\
2603 '2603' ' MaltaParl\_2018\_MDIA\_Act [ 14516: 14861] '\
2604 '2604' ' (i) to promote, and if required enforce, ethical and/' '\
2605 '2605' ' /'199/' /' legitimate criteria in the design and use of innovative/' '\
2606 '2606' ' /'200/' /' technology arrangements and any application, software or/' '\
2607 '2607' ' /'201/' /' derivative product from it or intrinsically part of or connected/' '\
2608 '2608' ' /'202/' /' to it as well as to ensure quality of services and security/' '\
2609 '2609' ' /'203/' /' therein;/' '\
2610 '2610' ' Back'\
2611 '2611' ' MaltaParl\_2018\_MDIA\_Act [ 66424: 66883] '\
2612 '2612' ' money laundering. 24. (1) an authorisation holder or persons acting on his/' '\
2613 '2613' '76 of 218

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2614 '2614' '
2615 '2615' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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2616 '2616' ' /'863/' /' behalf or under an arrangement with him shall fulfil any prevention/' '\
2617 '2617' ' /'864/' /' of money laundering and the combating of funding of terrorism/' '\
2618 '2618' ' /'865/' /' obligations as may be imposed on them by means of regulations/' '\
2619 '2619' ' /'866/' /' cap. 373. made under article 12 of the prevention of money laundering act./' '\
2620 '2620' ' Back'\
2621 '2621' ' MaltaParl\_2018\_MDIA\_Act [ 70239: 71178] '\
2622 '2622' ' /'innovative technology service provider under this act or under any/' '\
2623 '2623' ' /'907/' /' other special law which the authority is entitled to administer or/' '\
2624 '2624' ' /'908/' /' enforce, and thereafter to consider the continuing suitability of the/' '\
2625 '2625' ' /'909/' /' innovative technology arrangement or the innovative technology/' '\
2626 '2626' ' /'910/' /' service provider to continue to hold any authorisation:/' '\
2627 '2627' ' /'911/' /' provided that the authority shall from time to time state/' '\
2628 '2628' ' /'912/' /' by notice what information, documentation and assurances will/' '\
2629 '2629' ' /'913/' /' generally be required from any applicant so that applicants will be/' '\
2630 '2630' ' /'914/' /' able to establish such requirements in advance of any application/' '\
2631 '2631' ' /'915/' /' they may wish to submit./' '\

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2704 '2704' ' MaltaParl\_2018\_MDIA\_Act [ 35337: 36107] '\\
2705 '2705' ' in relation to any innovative technology/' '\\
2706 '2706' ' /'473/' ' arrangement which it recognises under this act or any special/' '\\
2707 '2707' ' /'474/' ' law it is entitled to administer or enforce, and in a manner/' '\\
2708 '2708' ' /'475/' ' satisfactory to the authority and without in any way implying/' '\\
2709 '2709' ' /'476/' ' liability on the authority's part, to receive and access/' '\\
2710 '2710' ' /'477/' ' information on the innovative technology arrangement and its/' '\\
2711 '2711' ' /'478/' ' activities strictly in pursuance of its regulatory mandate and to/' '\\
2712 '2712' ' /'479/' ' enforce compliance when the arrangement has adopted,/' '\\
2713 '2713' '79 of 218
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2714 '2714' '
2715 '2715' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium
        /UoM\_Masters/Study/Mast... '\\
2716 '2716' ' /'480/' ' subscribed or undertaken to apply regulatory rules or/' '\\
2717 '2717' ' /'481/' ' guidelines or licence conditions, including mandatory legal/' '\\
2718 '2718' ' /'482/' ' obligations, in its operations:/' '\\
2719 '2719' ' Back'\\
2720 '2720' ' MaltaParl\_2018\_MDIA\_Act [ 38149: 39063] '\\
2721 '2721' ' (7) it shall be the duty of the authority to carry out its/' '\\
2722 '2722' ' /'507/' ' functions as established by or under this act or any other law in an/' '\\
2723 '2723' ' /'508/' ' impartial, transparent and timely manner and to ensure compliance/' '\\
2724 '2724' ' /'509/' ' therewith, and without prejudice to the generality of the foregoing, to/' '\\
2725 '2725' ' /'510/' ' ensure that, to the extent they are so bound, persons providing any/' '\\
2726 '2726' ' /'511/' ' services, products, operations and activities in or from malta relating/' '\\
2727 '2727' ' /'512/' ' to any matter regulated by the authority, comply with this act and/' '\\
2728 '2728' ' /'513/' ' with any other special law which the authority is entitled to/' '\\
2729 '2729' ' /'514/' ' administer or enforce, and with any decisions issued by or under this/' '\\
2730 '2730' ' /'515/' ' act or any such other special law./' '\\
2731 '2731' ' Back'\\
2732 '2732' ' MaltaParl\_2018\_MDIA\_Act [ 39571: 40076] '\\
2733 '2733' ' the authority shall in the carrying out of its functions/' '\\
2734 '2734' ' /'522/' ' seek to ensure that the measures taken are proportionate having/' '\\
2735 '2735' ' /'523/' ' regard also to the objectives of the authority./' '\\
2736 '2736' ' /'524/' ' conduct of the 7. (1) the affairs and business of the authority shall be/' '\\
2737 '2737' ' /'525/' ' affairs of the the responsibility of the board which responsibility shall be exercised/'
\\
2738 '2738' ' /'526/' ' authority./' '\\
2739 '2739' ' /'527/' ' through the chairman:/' '\\
2740 '2740' ' Back'\\
2741 '2741' ' MaltaParl\_2018\_MDIA\_Act [ 57416: 57991] '\\
2742 '2742' ' until the expiration of six months from the/' '\\
2743 '2743' ' /'747/' ' beginning of a financial year, or until the approval of the/' '\\
2744 '2744' ' /'748/' ' estimates for that year by the minister, whichever is the earlier/' '\\
2745 '2745' ' /'749/' ' date, the authority may make or incur expenditure for carrying/' '\\
2746 '2746' ' /'750/' ' out its functions under this act or any other special law which/' '\\
2747 '2747' '80 of 218
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        21, 1:01 am'\\
2748 '2748' '
2749 '2749' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\\
2750 '2750' ' /'751/' ' the authority is entitled to administer or enforce not exceeding/' '\\
2751 '2751' ' /'752/' ' in the aggregate one-half of the amount approved by the/' '\\
2752 '2752' ' /'753/' ' minister for the preceding financial year;/' '\\
2753 '2753' ' Back'\\
2754 '2754' ' MaltaParl\_2018\_MDIA\_Act [ 87724: 89177] '\\
2755 '2755' ' arrangement recognised by the authority and the specific matters on/' '\\
2756 '2756' ' /'1137/' ' which it has received assurances through the systems audit or specific/' '\\
2757 '2757' ' /'1138/' ' undertakings by any person in connection with any recognition under/' '\\
2758 '2758' ' /'1139/' ' this act, or any special law which the authority is entitled to/' '\\
2759 '2759' ' /'1140/' ' administer or enforce, shall not be amended or substituted unless the/' '\\
2760 '2760' ' /'1141/' ' authorised person has obtained a prior written approval by the/' '\\
2761 '2761' ' /'1142/' ' authority of any such amendment or substitution:/' '\\
2762 '2762' ' /'1143/' ' provided that any substitutions or amendments which/' '\\
2763 '2763' ' /'1144/' ' refer to upgrades, maintenance, innovative evolution or mere/' '\\
2764 '2764' ' /'1145/' ' replacement of any supporting software which does not materially/' '\\
2765 '2765' ' /'1146/' ' change the functionality shall not require prior approval by the/' '\\
2766 '2766' ' /'1147/' ' authority; however if, in the opinion of the recognised innovative/' '\\
2767 '2767' ' /'1148/' ' technology services provider, they may have material impact on the/' '\\
2768 '2768' ' /'1149/' ' users of the innovative technology arrangement or in any manner are/' '\\
2769 '2769' ' /'1150/' ' not in accordance with the regulatory principles of this act, they shall/' '\\
2770 '2770' ' /'1151/' ' be notified to the authority:/' '\\
2771 '2771' ' Back'\\
2772 '2772' ' MaltaParl\_2018\_MDIA\_Act [ 84487: 85326] '\\
2773 '2773' ' (1) the authority may, in furtherance of the further powers of/' '\\
2774 '2774' ' /'1093/' ' regulatory objectives under this act or any other special law which the authority./'

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2775 '2775' ' ' /'1094/' /'the authority is entitled to administer or enforce and in applying a/'\\  
2776 '2776' ' ' /'1095/' /'risk-based approach in line with the governing principles:/'\\  
2777 '2777' ' ' /'1096/' /' (a) establish, where appropriate or necessary, by/'\\  
2778 '2778' ' ' /'1097/' /' means of binding instruments, more extensive, reduced or/'\\  
2779 '2779' ' ' /'1098/' /' amended requirements for an applicant to qualify for/'\\  
2780 '2780' '81 of 218  
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1:01 am'\\  
2781 '2781' ' ' ' '  
2782 '2782' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
2783 '2783' ' ' /'1099/' /' recognition or an authorisation in certain pre-defined/'\\  
2784 '2784' ' ' /'1100/' /' circumstances; and, or/'\\  
2785 '2785' ' ' /'1101/' /' (b) impose on an applicant, where appropriate or/'\\  
2786 '2786' ' ' /'1102/' /' necessary, specific additional requirements by means of a/'\\  
2787 '2787' ' ' /'1103/' /' binding instrument./'\\  
2788 '2788' ' ' Back'\\  
2789 '2789' ' ' MaltaParl\\_2018\\_MDIA\\_Act [ 97096: 98390] '\\  
2790 '2790' ' ' (g) in any of the circumstances under which the/'\\  
2791 '2791' ' ' /'1251/' /' authority would have been precluded from issuing the/'\\  
2792 '2792' ' ' /'1252/' /' innovative technology services authorisation under this act or/'\\  
2793 '2793' ' ' /'1253/' /' any other special law which the authority is entitled to/'\\  
2794 '2794' ' ' /'1254/' /' administer or enforce or where under such act or any other/'\\  
2795 '2795' ' ' /'1255/' /' special law which the authority is entitled to administer or/'\\  
2796 '2796' ' ' /'1256/' /' enforce it would have been entitled to refuse the grant of such/'\\  
2797 '2797' ' ' /'1257/' /' innovative technology authorisation; or/'\\  
2798 '2798' ' ' /'1258/' /' (h) after proper communication and investigation, at/'\\  
2799 '2799' ' ' /'1259/' /' the written request of another national competent authority, as/'\\  
2800 '2800' ' ' /'1260/' /' well as the financial intelligence analysis unit acting under/'\\  
2801 '2801' ' ' /'1261/' /' cap. 373./'\\  
2802 '2802' ' ' /'1262/' /' the prevention of money laundering act, which is carrying/'\\  
2803 '2803' ' ' /'1263/' /' out regulatory functions in relation to the relevant innovative/'\\  
2804 '2804' ' ' /'1264/' /' technology services authorisation holder simultaneously with/'\\  
2805 '2805' ' ' /'1265/' /' the authority./'\\  
2806 '2806' ' ' Back'\\  
2807 '2807' ' ' MaltaParl\\_2018\\_MDIA\\_Act [ 93011: 94510] '\\  
2808 '2808' ' ' regulatory powers/'\\  
2809 '2809' ' ' /'1203/' /' 34. (1) the authority may at any time revoke, cancel or power of/'\\  
2810 '2810' ' ' /'1204/' /' competent/'\\  
2811 '2811' ' ' /'1205/' /' suspend an innovative technology arrangement authorisation or an authority to/'\\  
2812 '2812' ' ' /'1206/' /' innovative technology services authorisation in accordance with the revoke, cancel or/'\\  
2813 '2813' '82 of 218  
6/09/2021,  
1:01 am'\\  
2814 '2814' ' ' ' '  
2815 '2815' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
2816 '2816' ' ' /'1207/' /' suspend innovative/'\\  
2817 '2817' ' ' /'1208/' /' provisions of this act or any other special law which the authority is technology/'\\  
2818 '2818' ' ' /'1209/' /' entitled to administer or enforce. arrangement/'\\  
2819 '2819' ' ' /'1210/' /' authorisations and/'\\  
2820 '2820' ' ' /'1211/' /' innovative/'\\  
2821 '2821' ' ' /'1212/' /' (2) the authority may revoke, cancel or suspend an technology/'\\  
2822 '2822' ' ' /'1213/' /' innovative technology services authorisation – services/'\\  
2823 '2823' ' ' /'1214/' /' authorisations./'\\  
2824 '2824' ' ' /'1215/' /' (a) if it considers that the holder thereof is not a fit/'\\  
2825 '2825' ' ' /'1216/' /' and proper person to provide the innovative technology service/'\\  
2826 '2826' ' ' /'1217/' /' he is authorised to provide; or/'\\  
2827 '2827' ' ' /'1218/' /' (b) if it considers that the holder thereof does not/'\\  
2828 '2828' ' ' Back'\\  
2829 '2829' ' ' MaltaParl\\_2018\\_MDIA\\_Act [100715:101232] '\\  
2830 '2830' ' ' in any of the circumstances under which the/'\\  
2831 '2831' ' ' /'1301/' /' authority would have been precluded from issuing the/'\\  
2832 '2832' ' ' /'1302/' /' innovative technology authorisation under this act or any/'\\  
2833 '2833' ' ' /'1303/' /' other special law which the authority is entitled to administer/'\\  
2834 '2834' ' ' /'1304/' /' or enforce or where under this act or any other special law/'\\  
2835 '2835' ' ' /'1305/' /' which the authority is entitled to administer or enforce it/'\\  
2836 '2836' ' ' /'1306/' /' would have been entitled to refuse the grant of such/'\\  
2837 '2837' ' ' /'1307/' /' authorisation; or/'\\  
2838 '2838' ' ' Back'\\  
2839 '2839' ' ' MaltaParl\\_2018\\_MDIA\\_Act [116794:118344] '\\  
2840 '2840' ' ' enforcement and sanctions/'\\  
2841 '2841' ' ' /'1504/' /' provision of 39. (1) without prejudice to the enforcement powers/'\\  
2842 '2842' ' ' /'1505/' /' information. that it has at law, the authority may require any person to provide it/'\\  
2843 '2843' ' ' /'1506/' /' with any information, including information on codes, software/'\\  
2844 '2844' ' ' /'1507/' /' protocols, and financial information, that the authority considers/'\\



2845 '2845' ' /'1508/' /' necessary for the purpose of ensuring the quality and integrity/''\

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2847 '2847' ''

2848 '2848' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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2849 '2849' ' /'1509/' /' standards required by this act for purposes of recognition or/''\

2850 '2850' ' /'1510/' /' compliance with the provisions of this act or any other special law/''\

2851 '2851' ' /'1511/' /' which the authority is entitled to administer or enforce, or decisions/''\

2852 '2852' ' /'1512/' /' or directives made in accordance with this act or such other special/''\

2853 '2853' ' /'1513/' /' law:/''\

2854 '2854' ' /'1514/' /' provided that nothing in this sub-article shall imply the/''\

2855 '2855' ' /'1515/' /' power of the authority to request information relating to confidential/''\

2856 '2856' ' /'1516/' /' source codes for software which is commercially sensitive or to/''\

2857 '2857' ' /'1517/' /' cryptographic keys owned personally by such person, but this shall/''\

2858 '2858' ' /'1518/' /' not interfere with the powers of any other national competent/''\

2859 '2859' ' /'1519/' /' authority under applicable law in relation to the enforcement of such/''\

2860 '2860' ' /'1520/' /' applicable law./''\

2861 '2861' ' Back''\

2862 '2862' ' MaltaParl\\_2018\\_MDIA\\_Act [120638:121131]''\

2863 '2863' ' 40. (1) for the purposes of the exercise by the authority enforcement/''\

2864 '2864' ' /'1550/' /' powers of the/''\

2865 '2865' ' /'1551/' /' of any of its functions under this act or under any other special law authority./''\

2866 '2866' ' /'1552/' /' which the authority is entitled to administer or enforce, the authority/''\

2867 '2867' ' /'1553/' /' may, as may be applicable in the context and subject to the limitations/''\

2868 '2868' ' /'1554/' /' in the applicable laws on professional secrecy:/''\

2869 '2869' ' Back''\

2870 '2870' ' MaltaParl\\_2018\\_MDIA\\_Act [121151:122554]''\

2871 '2871' ' (a) enter, at any reasonable time, any premises other/''\

2872 '2872' ' /'1556/' /' than a place of residence, or any other place or any vehicle or/''\

2873 '2873' ' /'1557/' /' vessel where any activity regulated by or under this act or any/''\

2874 '2874' ' /'1558/' /' other special law which the authority is entitled to administer/''\

2875 '2875' ' /'1559/' /' or enforce, takes place, or in the opinion of the authority takes/''\

2876 '2876' ' /'1560/' /' place, and search and inspect the premises, place, vehicle or/''\

2877 '2877' ' /'1561/' /' vessel and any books, documents or records found therein;/''\

2878 '2878' ' /'1562/' /' (b) require any person to produce for inspection and/''\

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2880 '2880' ''

2881 '2881' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\_Masters/Study/Mast... ''\

2882 '2882' ' /'1563/' /' take extracts or copies from any books, documents or records/''\

2883 '2883' ' /'1564/' /' relating to any activities regulated by or under this act or any/''\

2884 '2884' ' /'1565/' /' other special law which the authority is entitled to administer/''\

2885 '2885' ' /'1566/' /' or enforce, which are under the control of that person and, in/''\

2886 '2886' ' /'1567/' /' the case of information in a non-legible form to reproduce it in/''\

2887 '2887' ' /'1568/' /' a legible form, and to give to the authority such information as/''\

2888 '2888' ' /'1569/' /' the authority may reasonably require in relation to any entries/''\

2889 '2889' ' /'1570/' /' in such books, documents or records;/''\

2890 '2890' ' /'1571/' /' (c) remove and retain such books, documents or/''\

2891 '2891' ' /'1572/' /' records for such period as may be reasonable for further/''\

2892 '2892' ' /'1573/' /' examination;/''\

2893 '2893' ' Back''\

2894 '2894' ' MaltaParl\\_2018\\_MDIA\\_Act [122572:123243]''\

2895 '2895' ' (d) require any person to maintain such books,/''\

2896 '2896' ' /'1575/' /' documents or records for such period as may be reasonable as/''\

2897 '2897' ' /'1576/' /' the authority directs;/''\

2898 '2898' ' /'1577/' /' (e) require any person to give to the authority any/''\

2899 '2899' ' /'1578/' /' information that may be required with regard to any innovative/''\

2900 '2900' ' /'1579/' /' technology arrangement regulated by or under this act or any/''\

2901 '2901' ' /'1580/' /' other special law the authority is entitled to administer or/''\

2902 '2902' ' /'1581/' /' enforce;/''\

2903 '2903' ' /'1582/' /' (f) make such inspections, including site/''\

2904 '2904' ' /'1583/' /' inspections, to enable the authority to carry out its functions at/''\

2905 '2905' ' /'1584/' /'/''\

2906 '2906' ' Back''\

2907 '2907' ' MaltaParl\\_2018\\_MDIA\\_Act [132088:132924]''\

2908 '2908' ' where an administrative infringement of any provision/''\

2909 '2909' ' /'1699/' /' infringements by/''\

2910 '2910' ' /'1700/' /' bodies corporate. of this act or any other special law which the authority is entitled to  
/''\

2911 '2911' ' /'1701/' /' administer or enforce is committed by a body corporate and is proved/''\

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2913 '2913' ''  
 2914 '2914' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
 UoM\\_Masters/Study/Mast... '\\  
 2915 '2915' ' /'1702/' /' to have been committed with the consent or involvement of or to be/' '\\  
 2916 '2916' ' /'1703/' /' attributable to the gross negligence on the part of a person being an/' '\\  
 2917 '2917' ' /'1704/' /' administrator of the body corporate or a person who was purporting/' '\\  
 2918 '2918' ' /'1705/' /' to act in any such capacity, that person, as well as the body corporate,/' '\\  
 2919 '2919' ' /'1706/' /' shall be liable to be proceeded against and punished as if he was/' '\\  
 2920 '2920' ' /'1707/' /' responsible for the said infringement./' '\\  
 2921 '2921' ' Back '\\  
 2922 '2922' ' MaltaParl\\_2018\\_MDIA\\_Act [134467:135273]' '\\  
 2923 '2923' ' unless otherwise provided by law, an appeal appeals from/' '\\  
 2924 '2924' ' /'1730/' /' shall lie to the tribunal from a decision of the authority made under decisions of the/' '\\  
 2925 '2925' ' /'1731/' /' authority other/' '\\  
 2926 '2926' ' /'1732/' /' this act, any other decisions that the authority may take under any than the imposition/' '\\  
 2927 '2927' ' /'1733/' /' other special law which the authority is entitled to administer or of administrative/' '\\  
 2928 '2928' ' /'1734/' /' fines./' '\\  
 2929 '2929' ' /'1735/' /' enforce, and any decision taken by or on behalf of government or by/' '\\  
 2930 '2930' ' /'1736/' /' any public authority in relation to or having a substantial bearing on/' '\\  
 2931 '2931' ' /'1737/' /' innovative technology services or innovative technology/' '\\  
 2932 '2932' ' /'1738/' /' arrangements./' '\\  
 2933 '2933' ' Back '\\  
 2934 '2934' ' MaltaParl\\_2018\\_MDIA\\_Act [177666:178510]' '\\  
 2935 '2935' ' 58. (1) the minister may, acting on the advice of the power of the/' '\\  
 2936 '2936' ' /'2284/' /' minister to make/' '\\  
 2937 '2937' ' /'2285/' /' authority, make regulations to give effect to the provisions of this regulations and of/' '\\  
 2938 '2938' ' /'2286/' /' act, or to prescribe anything that is to be or which may be prescribed the authority to/' '\\  
 2939 '2939' ' /'2287/' /' issue guidelines./' '\\  
 2940 '2940' ' /'2288/' /' in terms of this act, any special law which the authority is entitled to/' '\\  
 2941 '2941' ' /'2289/' /' administer or enforce or any other regulatory instrument and provide/' '\\  
 2942 '2942' ' /'2290/' /' for any matter consequential, incidental to or connected therewith./' '\\  
 2943 '2943' ' /'2291/' /' (2) without prejudice to the generality of the foregoing, the/' '\\  
 2944 '2944' ' /'2292/' /' minister may, by such regulations:/' '\\  
 2945 '2945' ' Back '\\  
 2946 '2946' ' 86 of 218

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, 1:01 am '\\  
 2947 '2947' ''  
 2948 '2948' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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 2949 '2949' ' MaltaParl\\_2018\\_MDIA\\_Act [182213:182909]' '\\  
 2950 '2950' ' (k) lay down rules on qualifying shareholders./' '\\  
 2951 '2951' ' /'2344/' /' members or token holders with reference to the application of/' '\\  
 2952 '2952' ' /'2345/' /' the provisions of this act or any other special law which the/' '\\  
 2953 '2953' ' /'2346/' /' authority is entitled to administer or enforce and in case of/' '\\  
 2954 '2954' ' /'2347/' /' other relevant laws, after consultation with the relevant/' '\\  
 2955 '2955' ' /'2348/' /' minister who may be entrusted with the administration or the/' '\\  
 2956 '2956' ' /'2349/' /' supervision of such law or, if a regulatory law, the/' '\\  
 2957 '2957' ' /'2350/' /' administration of which is entrusted to a national regulatory/' '\\  
 2958 '2958' ' /'2351/' /' authority with such authority;/' '\\  
 2959 '2959' ' Back '\\  
 2960 '2960' ' MaltaParl\\_2018\\_MDIA\\_Act [160516:162544]' '\\  
 2961 '2961' ' (5) in carrying out its functions under this act and any/' '\\  
 2962 '2962' ' /'2068/' /' special law it is entitled to administer or enforce, the authority shall,/' '\\  
 2963 '2963' ' /'2069/' /' consistently with the provisions in this part -/' '\\  
 2964 '2964' ' /'2070/' /' (a) seek the support and make use of the resources/' '\\  
 2965 '2965' ' /'2071/' /' and facilities made available to it by other national competent/' '\\  
 2966 '2966' ' /'2072/' /' authorities with reference to their areas of competence so as to/' '\\  
 2967 '2967' ' /'2073/' /' achieve the purpose of efficiency as stated in this act and/' '\\  
 2968 '2968' ' /'2074/' /' other applicable laws generally;/' '\\  
 2969 '2969' ' /'2075/' /' (b) when addressing investigation or enforcement/' '\\  
 2970 '2970' ' /'2076/' /' issues under this act simultaneously with those under other/' '\\  
 2971 '2971' ' /'2077/' /' special laws relating to subject matters falling within the/' '\\  
 2972 '2972' ' /'2078/' /' competence of other national competent authorities, it shall,/' '\\  
 2973 '2973' ' /'2079/' /' where the competence for such investigation or enforcement at/' '\\  
 2974 '2974' ' /'2080/' /' law lies within the other national competent authorities, follow/' '\\  
 2975 '2975' ' /'2081/' /' the lead of investigation and enforcement by the other national/' '\\  
 2976 '2976' ' /'2082/' /' competent authorities responsible for the subject matter and/' '\\  
 2977 '2977' ' /'2083/' /' support as necessary in the context; and/' '\\  
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 2979 '2979' ''

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2980 '2980' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
2981 '2981' ' /'2084/' /' (c) it shall generally seek the design, development/' '\\
2982 '2982' ' /'2085/' /' and implementation of innovative technology arrangements in/' '\\
2983 '2983' ' /'2086/' /' all areas of regulation for itself and for and in collaboration/' '\\
2984 '2984' ' /'2087/' /' with other national competent authorities, including with/' '\\
2985 '2985' ' /'2088/' /'/' '\\
2986 '2986' ' /'2089/' /' malta digital innovation authority [ cap. 591. 47/' '\\
2987 '2987' ' /'2090/' /' reference to compliance with and enforcement of special/' '\\
2988 '2988' ' /'2091/' /' regulatory laws./' '\\
2989 '2989' ' Back' '\\
2990 '2990' ' MaltaParl\2018\MDIA\Act [184572:185551]' '\\
2991 '2991' ' /'2375/' /' (3) the minister may make regulations to establish a/' '\\
2992 '2992' ' /'2376/' /' supervisory body or institution to monitor and supervise the functions/' '\\
2993 '2993' ' /'2377/' /' and activities of the authority under this act and to establish the/' '\\
2994 '2994' ' /'2378/' /' principles which shall guide the said supervisory body in carrying out/' '\\
2995 '2995' ' /'2379/' /' its functions, its constitution, mode of procedure and any other matter/' '\\
2996 '2996' ' /'2380/' /' which shall be necessary for the proper functioning of such/' '\\
2997 '2997' ' /'2381/' /' supervisory body./' '\\
2998 '2998' ' /'2382/' /' (4) the minister may make regulations laying down rules/' '\\
2999 '2999' ' /'2383/' /' on specific processes whereby any type of innovative technology/' '\\
3000 '3000' ' /'2384/' /' services or any type of innovative technology arrangements is/' '\\
3001 '3001' ' /'2385/' /' recognised under the provisions of this act or any other special law/' '\\
3002 '3002' ' /'2386/' /' which the authority is entitled to administer or enforce, including the/' '\\
3003 '3003' ' /'2387/' /' tests to be applied to establish when an innovative technology/' '\\
3004 '3004' ' /'2388/' /' arrangement or person is fit and proper./' '\\
3005 '3005' ' Back' '\\
3006 '3006' ' MaltaParl\2018\MDIA\Act [ 81492: 82227]' '\\
3007 '3007' ' (iv) the applicant will comply with all/' '\\
3008 '3008' ' /'1056/' /' regulatory requirements applicable to authorised/' '\\
3009 '3009' ' /'1057/' /' persons of the relevant category and with any/' '\\
3010 '3010' ' /'1058/' /' additional requirements that the authority considers./' '\\
3011 '3011' '88 of 218
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3012 '3012' ' '
3013 '3013' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
3014 '3014' ' /'1059/' /' on the basis of a risk-based approach, necessary to/' '\\
3015 '3015' ' /'1060/' /' impose on the applicant, which requirements may/' '\\
3016 '3016' ' /'1061/' /' include but are not limited to financial safeguards./' '\\
3017 '3017' ' /'1062/' /' protection of users and, or the implementation of any/' '\\
3018 '3018' ' /'1063/' /' policies and procedures./' '\\
3019 '3019' ' Back' '\\
3020 '3020' ' MaltaParl\2018\MDIA\Act [166427:167020]' '\\
3021 '3021' ' (4) in assessing an application for an innovative technology/' '\\
3022 '3022' ' /'2143/' /' authorisation, where it considers it justified on the basis of a risk-' '\\
3023 '3023' ' /'2144/' /' based examination of the applicant, information available to the/' '\\
3024 '3024' ' /'2145/' /' authority and previous regulatory performance and circumstances of/' '\\
3025 '3025' ' /'2146/' /' the applicant, the authority shall apply the principle of simplification/' '\\
3026 '3026' ' /'2147/' /' of procedures and requirements for an efficient processing of the/' '\\
3027 '3027' ' /'2148/' /' application./' '\\
3028 '3028' ' Back' '\\
3029 '3029' ' 18 Codings of /' exempt/' from 5 files.' '\\
3030 '3030' ' EUComm\Proposal\MiCA\2020\0265 [ 3572: 3947]' '\\
3031 '3031' ' beyond eu legislation aimed at combating money laundering and terrorism/' '\\
3032 '3032' ' /'44/' /' financing most crypto-assets fall outside the scope of eu financial services legislation
      and/' '\\
3033 '3033' ' /'45/' /' therefore are not subject to provisions on consumer and investor protection and market/' '
      '\\
3034 '3034' ' /'46/' /' integrity, among others, although they give rise to these risks. in addition, a number of/
      '\\
3035 '3035' ' Back' '\\
3036 '3036' ' EUComm\Proposal\MiCA\2020\0265 [ 43928: 44247]' '\\
3037 '3037' ' article 4 also includes some exemptions from the publication of a whitepaper, including for/' '\\
3038 '3038' ' /'503/' /' small offerings of crypto-assets (below 1 million within a twelve-month period) and/' '\\
3039 '3039' ' /'504/' /' offerings targeting qualified investors as defined by the prospectus regulation (
      regulation/' '\\
3040 '3040' ' /'505/' /' eu 2017/1129). a'
3041 '3041' ' Back' '\\
3042 '3042' ' EUComm\Proposal\MiCA\2020\0265 [ 46048: 47167]' '\\
3043 '3043' '89 of 218
      6/09/2021, 1:01 am' '\\
3044 '3044' ' '
3045 '3045' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
3046 '3046' ' title iii, chapter 1 describes the procedure for authorisation of asset-referenced token issuers/' '
      '\\

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3103 '3103' ' /'146/' /' technology service provider from the provisions of any other law./''\\
3104 '3104' ' /'147/' /' including other regulatory laws requiring authorisations or similar/'''\\
3105 '3105' ' /'148/' /' approvals:/'''\\
3106 '3106' ' Back'\\
3107 '3107' ' MaltaParl\_2018\_MDIA\_Act [ 50003: 50499]''\\
3108 '3108' ' (3) the authority shall be paid by government out of the/'''\\
3109 '3109' ' /'656/' /'consolidated fund such sums as parliament may from time to time/'''\\
3110 '3110' ' /'657/' /'authorise to be appropriated to meet the costs of specified works to be/'''\\
3111 '3111' ' /'658/' /'continued or otherwise carried out by the authority:/'''\\
3112 '3112' ' /'659/' /' provided that any subvention received from government/'''\\
3113 '3113' '91 of 218
        6/09/2021, 1:01 am'\\
3114 '3114' '
3115 '3115' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... ''\\
3116 '3116' ' /'660/' /'shall be exempted from any liability for the payment of income tax/'''\\
3117 '3117' ' /'661/' /'and duty on documents under any law for the time being in force./''\\
3118 '3118' ' Back'\\
3119 '3119' ' MaltaParl\_2018\_MDIA\_Act [ 62758: 63032]''\\
3120 '3120' ' (2) all payments out of the funds of the authority, other/'''\\
3121 '3121' ' /'814/' /'than petty disbursements not exceeding a sum fixed by the authority./''\\
3122 '3122' ' /'815/' /'shall be made by such officer or officers of the authority as the/'''\\
3123 '3123' ' /'816/' /'authority shall appoint or designate for that purpose./''\\
3124 '3124' ' Back'\\
3125 '3125' ' MaltaParl\_2018\_MDIA\_Act [ 71818: 71913]''\\
3126 '3126' ' /'the authority is entitled to administer or enforce are exempt from/'''\\
3127 '3127' ' /'930/' /'such requirements./''\\
3128 '3128' ' Back'\\
3129 '3129' ' MaltaParl\_2018\_MDIA\_Act [ 87724: 89177]''\\
3130 '3130' ' arrangement recognised by the authority and the specific matters on/'''\\
3131 '3131' ' /'1137/' /' which it has received assurances through the systems audit or specific/'''\\
3132 '3132' ' /'1138/' /' undertakings by any person in connection with any recognition under/'''\\
3133 '3133' ' /'1139/' /' this act, or any special law which the authority is entitled to/'''\\
3134 '3134' ' /'1140/' /' administer or enforce, shall not be amended or substituted unless the/'''\\
3135 '3135' ' /'1141/' /' authorised person has obtained a prior written approval by the/'''\\
3136 '3136' ' /'1142/' /' authority of any such amendment or substitution:/'''\\
3137 '3137' ' /'1143/' /' provided that any substitutions or amendments which/'''\\
3138 '3138' ' /'1144/' /' refer to upgrades, maintenance, innovative evolution or mere/'''\\
3139 '3139' ' /'1145/' /' replacement of any supporting software which does not materially/'''\\
3140 '3140' ' /'1146/' /' change the functionality shall not require prior approval by the/'''\\
3141 '3141' ' /'1147/' /' authority; however if, in the opinion of the recognised innovative/'''\\
3142 '3142' ' /'1148/' /' technology services provider, they may have material impact on the/'''\\
3143 '3143' ' /'1149/' /' users of the innovative technology arrangement or in any manner are/'''\\
3144 '3144' ' /'1150/' /' not in accordance with the regulatory principles of this act, they shall/'''\\
3145 '3145' ' /'1151/' /' be notified to the authority:/'''\\
3146 '3146' ' Back'\\
3147 '3147' '92 of 218
        6/09/2021, 1:01 am'\\
3148 '3148' '
3149 '3149' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... ''\\
3150 '3150' ' MaltaParl\_2018\_MDIA\_Act [115928:116050]''\\
3151 '3151' ' make regulations to exempt from the provisions/'''\\
3152 '3152' ' /'1493/' /' of any law requiring authorisation to carry on relevant/'''\\
3153 '3153' ' Back'\\
3154 '3154' ' MaltaParl\_2018\_MDIA\_Act [114223:114918]''\\
3155 '3155' ' uch publications are intended for the benefit of the/'''\\
3156 '3156' ' /'1470/' /'sector and predictability of the recognition, review and enforcement/'''\\
3157 '3157' ' /'1471/' /'processes envisaged by this act./''\\
3158 '3158' ' /'1472/' /' 38. (1) this article applies only: exemptions./''\\
3159 '3159' ' /'1473/' /' (a) in circumstances where under provisions of any/'''\\
3160 '3160' ' /'1474/' /' special law applicable at any time, it is prohibited to carry on/'''\\
3161 '3161' ' /'1475/' /' any specified activities or it is so prohibited except when/'''\\
3162 '3162' ' /'1476/' /' authorised permitted to do so, not being a law of general/'''\\
3163 '3163' ' /'1477/' /' application to achieve public order the application of which/'''\\
3164 '3164' ' /'1478/' /' cannot be waived;/'''\\
3165 '3165' ' Back'\\
3166 '3166' ' MaltaParl\_2018\_MDIA\_Act [115473:115898]''\\
3167 '3167' ' the minister shall, on the written recommendation of/'''\\
3168 '3168' ' /'1487/' /'the authority and subject to the concurrence of the relevant minister/'''\\
3169 '3169' ' /'1488/' /'and, or national competent authority based on which person has the/'''\\
3170 '3170' ' /'1489/' /'power to grant exemptions or waivers under the relevant special law/'''\\
3171 '3171' ' /'1490/' /'which may have application to any innovative technology arrangement/'''\\
3172 '3172' ' /'1491/' /'or innovative technology service, have the power to:/'''\\
3173 '3173' ' Back'\\
3174 '3174' ' MaltaParl\_2018\_MDIA\_Act [118378:119443]''\\
3175 '3175' ' (2) any information required by the authority under sub-/'''\\

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3176 '3176' ' ' '1522/' ' article (1) shall be proportionate to the performance of its functions/' '\
3177 '3177' ' '1523/' ' and obligations under this act or any other special law which the/' '\
3178 '3178' ' '1524/' ' authority is entitled to administer or enforce and, in requiring any/' '\
3179 '3179' ' '1525/' ' information as aforesaid, the authority shall state why it requires the/' '\
3180 '3180' '93 of 218
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3181 '3181' ' '
3182 '3182' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
3183 '3183' ' '1526/' ' information requested./' '\
3184 '3184' ' '1527/' ' (3) except in cases where the recipient of a request may/' '\
3185 '3185' ' '1528/' ' refuse to provide such information, which refusal shall be in writing/' '\
3186 '3186' ' '1529/' ' and shall state the basis for such refusal, a person who is notified with/' '\
3187 '3187' ' '1530/' ' a requirement under sub-article (2) shall comply promptly with the/' '\
3188 '3188' ' '1531/' ' requirement within the time-scales and according to any level of/' '\
3189 '3189' ' '1532/' ' detail as may be required by the authority:/' '\
3190 '3190' ' Back'\
3191 '3191' ' MaltaPart\2018\_VFA\_Act [ 7645: 16915] '\
3192 '3192' ' 4. (1) the following persons are hereby being exempted from/' '\
3193 '3193' ' '113/' ' licensing./' '\
3194 '3194' ' '114/' ' the purposes of the requirement for a licence for vfa services in terms/' '\
3195 '3195' ' '115/' ' of article 13 of the act:/' '\
3196 '3196' ' '116/' ' (a) the central bank of malta and the members of the/' '\
3197 '3197' ' '117/' ' european system of central banks (escb) and other national/' '\
3198 '3198' ' '118/' ' bodies performing similar functions in the european union,/' '\
3199 '3199' ' '119/' ' other public bodies charged with or intervening in the/' '\
3200 '3200' ' '120/' ' management of the public debt in the european union and/' '\
3201 '3201' ' '121/' ' international financial institutions established by two or more/' '\
3202 '3202' ' '122/' ' member states which have the purpose of mobilizing funding/' '\
3203 '3203' ' '123/' ' and providing financial assistance to the benefit of their/' '\
3204 '3204' ' '124/' ' members that are experiencing or threatened by severe financing/' '\
3205 '3205' ' '125/' ' /' '\
3206 '3206' ' '126/' ' b 3366/' '\
3207 '3207' ' '127/' ' problems;/' '\
3208 '3208' ' '128/' ' (b) the competent authority and any person who is/' '\
3209 '3209' ' '129/' ' appointed thereby in the course and for the purpose of its/' '\
3210 '3210' ' '130/' ' regulatory and supervisory functions;/' '\
3211 '3211' ' '131/' ' (c) a liquidator or a curator in bankruptcy acting in the/' '\
3212 '3212' ' '132/' ' course of the liquidation or bankruptcy;/' '\
3213 '3213' '94 of 218
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3214 '3214' ' '
3215 '3215' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
3216 '3216' ' '133/' ' (d) persons dealing on own account in terms of the act/' '\
3217 '3217' ' '134/' ' and not providing any other vfa services or performing any/' '\
3218 '3218' ' '135/' ' other activities in virtual financial assets unless such persons:/' '\
3219 '3219' ' '136/' ' (i) are market makers; or/' '\
3220 '3220' ' '137/' ' (ii) deal on own account when executing client/' '\
3221 '3221' ' '138/' ' orders:/' '\
3222 '3222' ' '139/' ' provided that persons exempt under paragraphs/' '\
3223 '3223' ' '140/' ' (f), (g) and (n) are not required to meet the conditions laid/' '\
3224 '3224' ' '141/' ' down in this point in order to be exempt:/' '\
3225 '3225' ' '142/' ' provided further that for the purposes of this/' '\
3226 '3226' ' '143/' ' exemption, dealing on own account shall mean the trading/' '\
3227 '3227' ' '144/' ' by a person in his own name and against proprietary capital/' '\
3228 '3228' ' '145/' ' resulting in conclusion of transactions in one or more/' '\
3229 '3229' ' '146/' ' virtual financial assets./' '\
3230 '3230' ' '147/' ' (e) persons who provide vfa services exclusively for/' '\
3231 '3231' ' '148/' ' their parent companies, for their subsidiaries or for other/' '\
3232 '3232' ' '149/' ' subsidiaries of their parent undertakings;/' '\
3233 '3233' ' '150/' ' (f) a person licensed in terms of paragraph 5(c) of the/' '\
3234 '3234' ' '151/' ' cap. 370./' '\
3235 '3235' ' '152/' ' first schedule to the investment services act to act as custodian/' '\
3236 '3236' ' '153/' ' in relation to a collective investment scheme or holding an/' '\
3237 '3237' ' '154/' ' equivalent authorisation issued by a european regulatory/' '\
3238 '3238' ' '155/' ' authority providing services in malta in exercise of a european/' '\
3239 '3239' ' '156/' ' right:/' '\
3240 '3240' ' '157/' ' provided that such person shall solely be exempt/' '\
3241 '3241' ' '158/' ' from the provisions of the act for the purposes of providing the/' '\
3242 '3242' ' '159/' ' vfa service listed in paragraph 5 of the second schedule to the/' '\
3243 '3243' ' '160/' ' act to a collective investment scheme;/' '\
3244 '3244' ' '161/' ' (g) a person licensed to provide the services of/' '\
3245 '3245' ' '162/' ' management of investments in terms of paragraph (4) of the first/' '\
3246 '3246' '95 of 218

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3247 '3247' ''
3248 '3248' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM_Masters/Study/Mast... '\
3249 '3249' ' /'163/' /'cap. 370. schedule to the investment services act to a collective/' '\
3250 '3250' ' /'164/' /' investment scheme or holding an equivalent authorisation issued/' '\
3251 '3251' ' /'165/' /'/' '\
3252 '3252' ' /'166/' /' b 3367/' '\
3253 '3253' ' /'167/' /'by a european regulatory authority providing services in malta/' '\
3254 '3254' ' /'168/' /'in exercise of a european right:/' '\
3255 '3255' ' /'169/' /' provided that such person shall solely be exempt/' '\
3256 '3256' ' /'170/' /'from the provisions of the act for the purposes of providing the/' '\
3257 '3257' ' /'171/' /'vfa services listed in paragraphs 4 and, or 6 of the second/' '\
3258 '3258' ' /'172/' /'schedule to the act to a collective investment scheme;/' '\
3259 '3259' ' /'173/' /' (h) a person, being an individual, who manages assets, in/' '\
3260 '3260' ' /'174/' /'terms of paragraph 4 of the second schedule to the act, in/' '\
3261 '3261' ' /'175/' /'relation to a portfolio which includes virtual financial assets, for/' '\
3262 '3262' ' /'176/' /'his spouse, descendants and ascendants in the direct line and/' '\
3263 '3263' ' /'177/' /'their relative spouses, or his brothers and sisters, as long as such/' '\
3264 '3264' ' /'178/' /'portfolio is owned by the person to whom such services are/' '\
3265 '3265' ' /'179/' /'provided and does not constitute a collective investment scheme,/' '\
3266 '3266' ' /'180/' /'and as long as the person providing the service does not do any/' '\
3267 '3267' ' /'181/' /'of the following:/' '\
3268 '3268' ' /'182/' /' (i) receive, directly or indirectly, any remuneration/' '\
3269 '3269' ' /'183/' /' or other benefit for the service;/' '\
3270 '3270' ' /'184/' /' (ii) hold himself out as providing a vfa service; or/' '\
3271 '3271' ' /'185/' /' (iii) solicit members of the public to take such/' '\
3272 '3272' ' /'186/' /' services;/' '\
3273 '3273' ' /'187/' /' (i) a person who acts as manager, in terms of paragraph 4/' '\
3274 '3274' ' /'188/' /'of the second schedule to the act, of a portfolio which includes/' '\
3275 '3275' ' /'189/' /'virtual financial assets belonging to him and to no other person,/' '\
3276 '3276' ' /'190/' /'as long as:/' '\
3277 '3277' ' /'191/' /' (i) such portfolio has not been established for/' '\
3278 '3278' ' /'192/' /' investment purposes in the interest of other beneficiaries/' '\
3279 '3279' '96 of 218

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3280 '3280' ''
3281 '3281' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3282 '3282' ' /'193/' /' where such interest is legally enforceable; and/' '\
3283 '3283' ' /'194/' /' (ii) such portfolio does not constitute a collective/' '\
3284 '3284' ' /'195/' /' investment scheme;/' '\
3285 '3285' ' /'196/' /' (j) a person providing a vfa service where that service/' '\
3286 '3286' ' /'197/' /'is provided in an incidental manner in the course of a/' '\
3287 '3287' ' /'198/' /'professional activity and that activity is regulated by legal or/' '\
3288 '3288' ' /'199/' /'regulatory provisions or a code of ethics governing the/' '\
3289 '3289' ' /'200/' /'profession which do not exclude the provision of that service:/' '\
3290 '3290' ' /'201/' /' provided that for the purposes of this paragraph, a/' '\
3291 '3291' ' /'202/' /'service shall be deemed to be provided in an incidental manner/' '\
3292 '3292' ' /'203/' /'in the course of a professional activity if the person providing/' '\
3293 '3293' ' /'204/' /'such a service does not:/' '\
3294 '3294' ' /'205/' /'/' '\
3295 '3295' ' /'206/' /'b 3368/' '\
3296 '3296' ' /'207/' /' (i) receive, directly or indirectly, any remuneration/' '\
3297 '3297' ' /'208/' /' or other benefit for the service;/' '\
3298 '3298' ' /'209/' /' (ii) hold himself out as providing a vfa service; or/' '\
3299 '3299' ' /'210/' /' (iii) solicit members of the public to take such/' '\
3300 '3300' ' /'211/' /' services;/' '\
3301 '3301' ' /'212/' /' (k) a person providing investment advice in terms of/' '\
3302 '3302' ' /'213/' /' paragraph 6 of the second schedule to the act, in the course of/' '\
3303 '3303' ' /'214/' /' providing another professional activity not covered by the act,/' '\
3304 '3304' ' /'215/' /' provided that the provision of such advice is not specifically/' '\
3305 '3305' ' /'216/' /' remunerated;/' '\
3306 '3306' ' /'217/' /' (l) supranational institutions, such as the european/' '\
3307 '3307' ' /'218/' /' central bank, the european investment bank, the european/' '\
3308 '3308' ' /'219/' /' investment fund, the european development finance/' '\
3309 '3309' ' /'220/' /' institutions and bilateral development banks, the world bank,/' '\
3310 '3310' ' /'221/' /' the international monetary fund and other supranational/' '\
3311 '3311' ' /'222/' /' institutions and similar international organisations, in the event/' '\
3312 '3312' '97 of 218

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3313 '3313' ''
3314 '3314' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3315 '3315' ' /'223/' /' that such institutions or organisations manage collective/' '\

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3316 '3316' ' ' /'224/' /' investment schemes and in so far as those collective schemes act/' '\
3317 '3317' ' ' /'225/' /' in the public interest;' '\
3318 '3318' ' ' /'226/' /' (m) securitisation special purpose entities;' '\
3319 '3319' ' ' /'227/' /' (n) collective investment schemes licensed under the/' '\
3320 '3320' ' ' /'228/' /' cap. 370.' '\
3321 '3321' ' ' /'229/' /' investment services act or otherwise authorised by a european/' '\
3322 '3322' ' ' /'230/' /' regulatory authority, providing services in malta in exercise of a/' '\
3323 '3323' ' ' /'231/' /' european right; and/' '\
3324 '3324' ' ' /'232/' /' (o) a person providing custodian or nominee services in/' '\
3325 '3325' ' ' /'233/' /' terms of paragraph 5 of the second schedule to the act who is/' '\
3326 '3326' ' ' /'234/' /' cap. 331 authorised in terms of article 43(3) of the trusts and trustees act/' '\
3327 '3327' ' ' /'235/' /' to act as a trustee, provided that such person does not provide/' '\
3328 '3328' ' ' /'236/' /' any other service in terms of the second schedule to the act.' '\
3329 '3329' ' ' /'237/' /' (2) the exemptions laid down in paragraphs (d), (f), (g) and (o)/' '\
3330 '3330' ' ' /'238/' /' shall not be automatically operative but their applicability shall be/' '\
3331 '3331' ' ' /'239/' /' subject to the determination in writing by the competent authority:' '\
3332 '3332' ' ' /'240/' /' provided that the applicability of the exemption laid down/' '\
3333 '3333' ' ' /'241/' /' in paragraph (o) shall not exempt such person from satisfying any/' '\
3334 '3334' ' ' /'242/' /' regulations, rules or authorisation conditions issued by the authority/' '\
3335 '3335' ' ' /'243/' /' that such person must satisfy to carry out the service set out in/' '\
3336 '3336' ' ' /'244/' /' paragraph 5 to the second schedule to the act.' '\
3337 '3337' ' ' /'245/' /' (3) any person who intends to apply any of the exemptions/' '\
3338 '3338' ' ' Back'\
3339 '3339' ' ' MaltaParl\_2018\_VFA\_Act [ 18388: 18650]'\
3340 '3340' ' ' (iii) a person who is acting under an exemption from/' '\
3341 '3341' ' ' /'268/' /' the requirement of a licence under these regulations/' '\
3342 '3342' ' ' /'269/' /' provided that the advertisement relates to matters in respect/' '\
3343 '3343' ' ' /'270/' /' of which such person is exempt;' '\
3344 '3344' ' ' Back'\
3345 '3345' ' '98 of 218
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3346 '3346' ' '
3347 '3347' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3348 '3348' ' ' MaltaParl\_2018\_VFA\_Act [ 35824: 36393]'\
3349 '3349' ' ' (8) where it is not reasonably possible for the subject person to/' '\
3350 '3350' ' ' /'494/' /' carry out any of the duties specified in this regulation due to the nature/' '\
3351 '3351' ' ' /'495/' /' of the assets and of the arrangements whereby control is exercised, the/' '\
3352 '3352' ' ' /'496/' /' said duties may be varied with the written consent of the client and in/' '\
3353 '3353' ' ' /'497/' /' accordance with the terms and conditions of the agreement entered/' '\
3354 '3354' ' ' /'498/' /' into with the client, the conditions of any licence and such other/' '\
3355 '3355' ' ' /'499/' /' requirements as may be laid down by the competent authority.' '\
3356 '3356' ' ' Back'\
3357 '3357' ' ' 8 Codings of /'fine/' from 2 files.' '\
3358 '3358' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [511461:525392]'\
3359 '3359' ' ' article 113/' '\
3360 '3360' ' ' /'5853/' /' fines/' '\
3361 '3361' ' ' /'5854/' /' 1. the eba shall adopt a decision imposing a fine in accordance with paragraph 3 or 4,/' '\
3362 '3362' ' ' /'5855/' /' where in accordance with article 116(8), it finds that:' '\
3363 '3363' ' ' /'5856/' /' (a) an issuer of significant asset-referenced tokens has, intentionally or/' '\
3364 '3364' ' ' /'5857/' /' negligently, committed one of the infringements listed in annex v;' '\
3365 '3365' ' ' /'5858/' /' (b) an issuer of significant e-money tokens has, intentionally or negligently,/' '\
3366 '3366' ' ' /'5859/' /' committed one of the infringements listed in annex vi.' '\
3367 '3367' ' ' /'5860/' /' an infringement shall be considered to have been committed intentionally if the/' '\
3368 '3368' ' ' /'5861/' /' eba finds objective factors which demonstrate that such an issuer or its management/' '\
3369 '3369' ' ' /'5862/' /' body acted deliberately to commit the infringement.' '\
3370 '3370' ' ' /'5863/' /' 2. when taking the actions referred to in paragraph 1, the eba shall take into account/' '\
3371 '3371' ' ' /'5864/' /' the nature and seriousness of the infringement, having regard to the following/' '\
3372 '3372' ' ' /'5865/' /' criteria:' '\
3373 '3373' ' ' /'5866/' /' (a) the duration and frequency of the infringement;' '\
3374 '3374' ' ' /'5867/' /' (b) whether financial crime has been occasioned, facilitated or otherwise/' '\
3375 '3375' ' ' /'5868/' /' attributable to the infringement;' '\
3376 '3376' ' '99 of 218
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3377 '3377' ' '
3378 '3378' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3379 '3379' ' ' /'5869/' /' (c) whether the infringement has revealed serious or systemic weaknesses in the/' '\
3380 '3380' ' ' /'5870/' /' issuer of significant asset-referenced tokens' or in the issuer of significant e-' '\
3381 '3381' ' ' /'5871/' /' money tokens procedures, policies and risk management measures;' '\
3382 '3382' ' ' /'5872/' /' (d) whether the infringement has been committed intentionally or negligently;' '\
3383 '3383' ' ' /'5873/' /' (e) the degree of responsibility of the issuer of significant asset-referenced tokens/' '\
3384 '3384' ' ' /'5874/' /' or the issuer of significant e-money tokens responsible for the infringement;' '\
3385 '3385' ' ' /'5875/' /' (f) the financial strength of the issuer of significant asset-referenced tokens, or of/

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3386 '3386' ' ' /'5876/' ' the issuer of significant e-money tokens, responsible for the infringement, as/' '\
3387 '3387' ' ' /'5877/' ' indicated by the total turnover of the responsible legal person or the annual/' '\
3388 '3388' ' ' /'5878/' ' income and net assets of the responsible natural person;/' '\
3389 '3389' ' ' /'5879/' ' (g) the impact of the infringement on the interests of holders of significant asset-/' '\
3390 '3390' ' ' /'5880/' ' referenced tokens or significant e-money tokens;/' '\
3391 '3391' ' ' /'5881/' ' (h) the importance of the profits gained, losses avoided by the issuer of significant/' '\
3392 '3392' ' ' /'5882/' ' asset-referenced tokens responsible for the infringement or the losses for third/' '\
3393 '3393' ' ' /'5883/' ' parties derived from the infringement, insofar as they can be determined;/' '\
3394 '3394' ' ' /'5884/' ' (i) the level of cooperation of the issuer of significant asset-referenced tokens, or/' '\
3395 '3395' ' ' /'5885/' ' for the issuer of significant e-money tokens, for the infringement with the/' '\
3396 '3396' ' ' /'5886/' ' en 132 en/' '\
3397 '3397' ' ' /'5887/' ' /' '\
3398 '3398' ' ' /'5888/' ' eba, without prejudice to the need to ensure disgorgement of profits gained or/' '\
3399 '3399' ' ' /'5889/' ' losses avoided by that person;/' '\
3400 '3400' ' ' /'5890/' ' (j) previous infringements by the issuer of significant asset-referenced tokens or/' '\
3401 '3401' ' ' /'5891/' ' by the issuer of significant e-money tokens responsible for the infringement;/' '\
3402 '3402' ' ' /'5892/' ' (k) measures taken after the infringement by the issuer of significant asset-/' '\
3403 '3403' ' ' /'5893/' ' referenced tokens or by the issuer of significant e-money tokens to prevent the/' '\
3404 '3404' ' ' /'5894/' ' repetition of such an infringement./' '\
3405 '3405' ' ' /'5895/' ' 3. for issuers of significant asset-referenced tokens, the maximum amount of the fine/' '\
3406 '3406' ' ' /'5896/' ' referred to in paragraph 1 shall up to 15% of the annual turnover as defined under/' '\
3407 '3407' ' ' /'5897/' ' relevant union law, in the preceding business year, or twice the amount or profits/' '\
3408 '3408' ' ' /'5898/' ' gained or losses avoided because of the infringement where those can be determined./' '\
3409 '3409' '100 of 218
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3410 '3410' ' ' , 1:01 am' '\
3411 '3411' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3412 '3412' ' ' /'5899/' ' 4. for issuers of significant e-money tokens, the maximum amount of the fine referred/' '\
3413 '3413' ' ' /'5900/' ' to in paragraph 1 shall up to 5% of the annual turnover, as defined under relevant/' '\
3414 '3414' ' ' /'5901/' ' union law, in the preceding business year, or twice the amount or profits gained or/' '\
3415 '3415' ' ' /'5902/' ' losses avoided because of the infringement where those can be determined./' '\
3416 '3416' ' ' /'5903/' ' article 114/' '\
3417 '3417' ' ' /'5904/' ' periodic penalty payments/' '\
3418 '3418' ' ' /'5905/' ' 1. the eba shall, by decision, impose periodic penalty payments in order to compel:/' '\
3419 '3419' ' ' /'5906/' ' (a) a person to put an end to an infringement in accordance with a decision taken/' '\
3420 '3420' ' ' /'5907/' ' pursuant to article 112;/' '\
3421 '3421' ' ' /'5908/' ' (b) a person referred to in article 104(1):/' '\
3422 '3422' ' ' /'5909/' ' i) to supply complete information which has been requested by a decision/' '\
3423 '3423' ' ' /'5910/' ' pursuant to article 104;/' '\
3424 '3424' ' ' /'5911/' ' ii) to submit to an investigation and in particular to produce complete/' '\
3425 '3425' ' ' /'5912/' ' records, data, procedures or any other material required and to complete/' '\
3426 '3426' ' ' /'5913/' ' and correct other information provided in an investigation launched by a/' '\
3427 '3427' ' ' /'5914/' ' decision pursuant to article 105;/' '\
3428 '3428' ' ' /'5915/' ' iii) to submit to an on-site inspection ordered by a decision taken pursuant to/' '\
3429 '3429' ' ' /'5916/' ' article 106./' '\
3430 '3430' ' ' /'5917/' ' 2. a periodic penalty payment shall be effective and proportionate. the periodic/' '\
3431 '3431' ' ' /'5918/' ' penalty payment shall be imposed for each day of delay./' '\
3432 '3432' ' ' /'5919/' ' 3. notwithstanding paragraph 2, the amount of the periodic penalty payments shall be/' '\
3433 '3433' ' ' /'5920/' ' 3 % of the average daily turnover in the preceding business year, or, in the case of/' '\
3434 '3434' ' ' /'5921/' ' natural persons, 2 % of the average daily income in the preceding calendar year. it/' '\
3435 '3435' ' ' /'5922/' ' shall be calculated from the date stipulated in the decision imposing the periodic/' '\
3436 '3436' ' ' /'5923/' ' penalty payment./' '\
3437 '3437' ' ' /'5924/' ' 4. a periodic penalty payment shall be imposed for a maximum period of six months/' '\
3438 '3438' ' ' /'5925/' ' following the notification of the eba s decision. following the end of the period, the/' '\
3439 '3439' ' ' /'5926/' ' eba shall review the measure./' '\
3440 '3440' ' ' /'5927/' ' en 133 en/' '\
3441 '3441' ' ' /'5928/' ' /' '\
3442 '3442' '101 of 218
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3443 '3443' ' ' 1:01 am' '\
3444 '3444' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3445 '3445' ' ' /'5929/' ' article 115/' '\
3446 '3446' ' ' /'5930/' ' disclosure, nature, enforcement and allocation of fines and periodic penalty payments/' '\
3447 '3447' ' ' /' '\
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3447 '3447' ' /'5931/' /' 1. the eba shall disclose to the public every fine and periodic penalty payment that/'  
 3448 '3448' ' /'5932/' /' has been imposed pursuant to articles 113 and 114 unless such disclosure to the/'  
 3449 '3449' ' /'5933/' /' public would seriously jeopardise the financial stability or cause disproportionate/'  
 3450 '3450' ' /'5934/' /' damage to the parties involved. such disclosure shall not contain personal data/'  
 3451 '3451' ' /'5935/' /' within the meaning of regulation (eu) 2016/679172./'  
 3452 '3452' ' /'5936/' /' 2. fines and periodic penalty payments imposed pursuant to articles 113 and 114 shall/'  
 3453 '3453' ' /'5937/' /' be of an administrative nature./'  
 3454 '3454' ' /'5938/' /' 3. where the eba decides to impose no fines or penalty payments, it shall inform the/'  
 3455 '3455' ' /'5939/' /' european parliament, the council, the commission, and the competent authorities of/'  
 3456 '3456' ' /'5940/' /' the member state concerned accordingly and shall set out the reasons for its/'  
 3457 '3457' ' /'5941/' /' decision./'  
 3458 '3458' ' /'5942/' /' 4. fines and periodic penalty payments imposed pursuant to articles 113 and 114 shall/'  
 3459 '3459' ' /'5943/' /' be enforceable./'  
 3460 '3460' ' /'5944/' /' 5. enforcement shall be governed by the rules of civil procedure in force in the state  
 in/'  
 3461 '3461' ' /'5945/' /' the territory of which it is carried out./'  
 3462 '3462' ' /'5946/' /' 6. the amounts of the fines and periodic penalty payments shall be allocated to the/'  
 3463 '3463' ' /'5947/' /' general budget of the european union./'  
 3464 '3464' ' /'5948/' /' article 116/'  
 3465 '3465' ' /'5949/' /' procedural rules for taking supervisory measures and imposing fines/'  
 3466 '3466' ' /'5950/' /' 1. where, in carrying out its duties under articles 98, the eba finds that there are/'  
 3467 '3467' ' /'5951/' /' serious indications of the possible existence of facts liable to constitute one or more/  
 3468 '3468' ' /'5952/' /' of the infringements listed in annexes v or vi, the eba shall appoint an/'  
 3469 '3469' ' /'5953/' /' independent investigation officer within the eba to investigate the matter. the/'  
 3470 '3470' ' /'5954/' /' appointed officer shall not be involved or have been directly or indirectly involved in/  
 3471 '3471' ' /'5955/' /' the supervision of the issuers of significant asset-referenced tokens or issuers of/'  
 3472 '3472' ' /'5956/' /' significant e-money tokens and shall perform its functions independently from the/'  
 3473 '3473' ' /'5957/' /' eba./'  
 3474 '3474' ' /'5958/' /' 2. the investigation officer referred to in paragraph 1 shall investigate the alleged/'  
 3475 '3475' '102 of 218  
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 3476 '3476' ' '  
 3477 '3477' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
 UoM\_Masters/Study/Mast... '  
 3478 '3478' ' /'5959/' /' infringements, taking into account any comments submitted by the persons who are/'  
 3479 '3479' ' /'5960/' /' subject to the investigations, and shall submit a complete file with his findings to/'  
 3480 '3480' ' /'5961/' /' eba./'  
 3481 '3481' ' /'5962/' /' 3. in order to carry out its tasks, the investigation officer may exercise the power to/  
 3482 '3482' ' /'5963/' /' request information in accordance with article 104 and to conduct investigations and/'  
 3483 '3483' ' /'5964/' /' on-site inspections in accordance with articles 105 and 106. when using those/'  
 3484 '3484' ' /'5965/' /' powers, the investigation officer shall comply with article 103./'  
 3485 '3485' ' /'5966/' /' 4. where carrying out his tasks, the investigation officer shall have access to all/'  
 3486 '3486' ' /'5967/' /' documents and information gathered by the eba in its supervisory activities./'  
 3487 '3487' ' /'5968/' /' 72/'  
 3488 '3488' ' /'5969/' /' regulation (eu) 2016/679 of the european parliament and of the council of 27 april 2016  
 on the/'  
 3489 '3489' ' /'5970/' /' protection of natural persons with regard to the processing of personal data and on the  
 free '  
 3490 '3490' ' movement of/'  
 3491 '3491' ' /'5971/' /' such data, and repealing directive 95/46/ec (general data protection regulation) (oj l 1  
 19,'  
 3492 '3492' ' 4.5.2016./'  
 3493 '3493' ' /'5972/' /' p. 1)/'  
 3494 '3494' ' /'5973/' /' en 134 en/'  
 3495 '3495' ' /'5974/' /' /'  
 3496 '3496' ' /'5975/' /' 5. upon completion of his or her investigation and before submitting the file with his/'  
 3497 '3497' ' /'5976/' /' findings to the eba, the investigation officer shall give the persons subject to the/'  
 3498 '3498' ' /'5977/' /' investigations the opportunity to be heard on the matters being investigated. the/'  
 3499 '3499' ' /'5978/' /' investigation officer shall base his or her findings only on facts on which the persons/  
 3500 '3500' ' /'5979/' /' concerned have had the opportunity to comment./'  
 3501 '3501' ' /'5980/' /' 6. the rights of the defence of the persons concerned shall be fully respected during/'

3502 '3502' ' /'5981/' /' investigations under this article./''\

3503 '3503' ' /'5982/' /' 7. when submitting the file with his findings to the eba, the investigation officer shall/'\

3504 '3504' ' /'5983/' /' notify the persons who are subject to the investigations. the persons subject to the/'

3505 '3505' ' /'5984/' /' investigations shall be entitled to have access to the file , subject to the legitimate/'

3506 '3506' ' /'5985/' /' interest of other persons in the protection of their business secrets. the right of/'\

3507 '3507' ' /'5986/' /' access to the file shall not extend to confidential information affecting third parties or/'\

3508 '3508' ' /'5987/' /' the eba s internal preparatory documents./''\

3509 '3509' '103 of 218

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3510 '3510' ' , 1:01 am'\

3511 '3511' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\_Masters/Study/Mast...'\

3512 '3512' ' /'5988/' /' 8. on the basis of the file containing the investigation officer s findings and, when/'

3513 '3513' ' /'5989/' /' requested by the persons subject to the investigations , after having heard those/'\

3514 '3514' ' /'5990/' /' persons in accordance with article 117, the eba shall decide if one or more of the/'\

3515 '3515' ' /'5991/' /' infringements of provisions listed in annex v or vi have been committed by the/'\

3516 '3516' ' /'5992/' /' issuer of significant asset-referenced tokens or the issuer of significant e-money/'\

3517 '3517' ' /'5993/' /' tokens subject to the investigations and, in such a case, shall take a supervisory/'\

3518 '3518' ' /'5994/' /' measure in accordance with article 112 and/or impose a fine in accordance with/'\

3519 '3519' ' /'5995/' /' article 113./''\

3520 '3520' ' /'5996/' /' 9. the investigation officer shall not participate in eba s deliberations or in any other/'\

3521 '3521' ' /'5997/' /' way intervene in eba s decision-making process./''\

3522 '3522' ' /'5998/' /' 10. the commission shall adopt delegated acts in accordance with article 121 by/'\

3523 '3523' ' /'5999/' /' [please insert date 12 months after entry into force] specifying further the rules of/'

3524 '3524' ' /'6000/' /' procedure for the exercise of the power to impose fines or periodic penalty payments,/'

3525 '3525' ' /'6001/' /' including provisions on the rights of the defence, temporal provisions , and the/'\

3526 '3526' ' /'6002/' /' collection of fines or periodic penalty payments, and the limitation periods for the/'

3527 '3527' ' /'6003/' /' imposition and enforcement of fines and periodic penalty payments./''\

3528 '3528' ' /'6004/' /' 11. the eba shall refer matters to the appropriate national authorities for investigation/'\

3529 '3529' ' /'6005/' /' and possible criminal prosecution where, in carrying out its duties under this/'\

3530 '3530' ' /'6006/' /' regulation , it finds that there are serious indications of the possible existence of facts/'\

3531 '3531' ' /'6007/' /' liable to constitute criminal offences. in addition , the eba shall refrain from/'\

3532 '3532' ' /'6008/' /' imposing fines or periodic penalty payments where a prior acquittal or conviction/'\

3533 '3533' ' /'6009/' /' arising from identical fact or facts which are substantially the same has already/'\

3534 '3534' ' /'6010/' /' acquired the force of res judicata as the result of criminal proceedings under national/'

3535 '3535' ' /'6011/' /' law./''\

3536 '3536' ' Back'\

3537 '3537' ' MaltaParl\2018\MDIA\Act [106857:107406]'\

3538 '3538' ' /'1378/' /'infringement and the imposition of administrative fines:/''\

3539 '3539' ' /'1379/' /' provided that the person against whom such measures/'\

3540 '3540' ' /'1380/' /'are contemplated shall , thereafter , be given a reasonable opportunity/'\

3541 '3541' ' /'1381/' /'to state his view and propose any remedies:/''\

3542 '3542' '104 of 218

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3543 '3543' ' 1:01 am'\

3544 '3544' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\_Masters/Study/Mast...'\

3545 '3545' ' /'1382/' /' provided further that the interim measures shall be valid/'\

3546 '3546' ' /'1383/' /'for a maximum of three (3) months, subject to extension for a further/'\

3547 '3547' ' /'1384/' /'period of three (3) months, in circumstances where enforcement/'\

3548 '3548' ' /'1385/' /'procedures have not been completed./''\

3549 '3549' ' Back'\

3550 '3550' ' MaltaParl\2018\MDIA\Act [128780:129587]'\

3551 '3551' ' (2) in this article //confidential information// means any/'\

3552 '3552' ' /'1658/' /'information, howsoever described, which is considered by the/'\

3553 '3553' ' /'1659/' /'authority to be confidential , or has been notified of such status by the/'\

3554 '3554' ' /'1660/' /'person providing it, and in relation to which the authority has/'\

3555 '3555' ' /'1661/' /'notified the persons concerned of their duty of non-disclosure./''\

3556 '3556' ' /'1662/' /' (3) a person who contravenes the provisions of this article/'\

3557 '3557' ' /'1663/' /'shall be guilty of an offence against this act and shall on conviction/'\

3558 '3558' ' /'1664/' /'be liable to a fine (multa) not exceeding ten thousand euro ( 10,000)./'\

3559 '3559' ' /'1665/' /' (4) nothing in this article shall prevent the disclosure of any/'\

3560 '3560' ' /'1666/' /'information to the authority or, by or on behalf of the authority to/'\

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3561 '3561' ' ' '1667/' 'the minister or as may be required at law./''\
3562 '3562' ' ' Back'\
3563 '3563' ' ' MaltaPart\2018\MDIA\Act [129616:130143]'\
3564 '3564' ' ' an administrative fine imposed shall not, unless quantum of an/'\
3565 '3565' ' ' '1669/' ' administrative fine./''\
3566 '3566' ' ' '1670/' 'provided otherwise by or under this act or any special law which the/'\
3567 '3567' ' ' '1671/' 'authority is entitled to enforce, exceed three hundred and fifty/'\
3568 '3568' ' ' '1672/' 'thousand euro ( 350,000) for each infringement or failure to comply/'\
3569 '3569' ' ' '1673/' 'and, or twelve thousand euro ( 12,000) for each day of infringement/'\
3570 '3570' ' ' '1674/' 'or non-compliance as the case may be:/'\
3571 '3571' ' ' Back'\
3572 '3572' ' ' MaltaPart\2018\MDIA\Act [132959:133510]'\
3573 '3573' ' ' 44. the prosecution of a criminal offence or the initiation of/'\
3574 '3574' ' ' '1709/' 'offences and/'\
3575 '3575' ' ' '1710/' 'administrative/'\
3576 '3576' '105 of 218
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3577 '3577' ' '
3578 '3578' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast...'\
3579 '3579' ' ' '1711/' ' proceedings to impose an administrative fine under this act or under/'\
3580 '3580' ' ' '1712/' 'infringements. any other special law which the authority is entitled to administer or/'\
3581 '3581' ' ' '1713/' ' enforce shall be prescribed by the lapse of two years from the date on/'\
3582 '3582' ' ' '1714/' ' which the offence or administrative infringement is alleged to have/'\
3583 '3583' ' ' '1715/' ' been committed./''\
3584 '3584' ' ' Back'\
3585 '3585' ' ' MaltaPart\2018\MDIA\Act [130197:132048]'\
3586 '3586' ' ' malta digital innovation authority/'\
3587 '3587' ' ' '1677/' ' provided that if the act or omission which constitutes an/'\
3588 '3588' ' ' '1678/' ' infringement is committed by an undertaking and the authority/'\
3589 '3589' ' ' '1679/' ' considers that such act or omission has especially significant effects/'\
3590 '3590' ' ' '1680/' ' on the market to the detriment of competitors and, or consumers, the/'\
3591 '3591' ' ' '1681/' ' stated amount that may be imposed as an administrative fine may be/'\
3592 '3592' ' ' '1682/' ' increased to an amount that is not more than five per cent (5%) of the/'\
3593 '3593' ' ' '1683/' ' turnover of the undertaking in the calendar year immediately/'\
3594 '3594' ' ' '1684/' ' preceding the year when the infringement was committed:/'\
3595 '3595' ' ' '1685/' ' provided further that any daily fine imposed may be/'\
3596 '3596' ' ' '1686/' ' back-dated to the date of the commission or commencement of the/'\
3597 '3597' ' ' '1687/' ' infringement./''\
3598 '3598' ' ' '1688/' ' (2) in determining the amount of an administrative fine,/'\
3599 '3599' ' ' '1689/' ' regard shall be had in particular to the nature and extent of the/'\
3600 '3600' ' ' '1690/' ' infringement, its duration and its impact on the market and on/'\
3601 '3601' ' ' '1691/' ' consumers./''\
3602 '3602' ' ' '1692/' ' (3) the minister may, by regulations made under this act,/'\
3603 '3603' ' ' '1693/' ' establish the administrative fines that may be imposed by the/'\
3604 '3604' ' ' '1694/' ' authority for breaches of the said regulations:/'\
3605 '3605' ' ' '1695/' ' provided that the amount of the fines that may be so/'\
3606 '3606' ' ' '1696/' ' prescribed shall not exceed the maximum amounts referred to under/'\
3607 '3607' ' ' '1697/' ' sub-article (1)./'\
3608 '3608' ' ' Back'\
3609 '3609' '106 of 218
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3610 '3610' ' '
3611 '3611' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3612 '3612' ' ' MaltaPart\2018\MDIA\Act [125545:127982]'\
3613 '3613' ' ' (5) any person who -/'\
3614 '3614' ' ' '1614/' ' (a) obstructs, impedes or assaults an officer of the/'\
3615 '3615' ' ' '1615/' ' authority or any other person duly authorised by the authority/'\
3616 '3616' ' ' '1616/' ' to act on its behalf in the exercise of any of the powers/'\
3617 '3617' ' ' '1617/' ' conferred by this act or by any other special law which the/'\
3618 '3618' ' ' '1618/' ' authority is entitled to administer or enforce;/'\
3619 '3619' ' ' '1619/' ' (b) fails or refuses to comply with a requirement/'\
3620 '3620' ' ' '1620/' ' under this article;/'\
3621 '3621' ' ' '1621/' ' (c) alters, suppresses or destroys any books,/'\
3622 '3622' ' ' '1622/' ' documents or records which the person concerned has been/'\
3623 '3623' ' ' '1623/' ' required to produce, or may reasonably expect to be required/'\
3624 '3624' ' ' '1624/' ' to produce;/'\
3625 '3625' ' ' '1625/' ' (d) falsely represents himself to be an officer of the/'\
3626 '3626' ' ' '1626/' ' authority or a person authorised by the authority to act on its/'\
3627 '3627' ' ' '1627/' ' behalf; or/'\
3628 '3628' ' ' '1628/' ' /''\
3629 '3629' ' ' '1629/' ' malta digital innovation authority [ cap. 591. 37/'\
3630 '3630' ' ' '1630/' ' (e) furnishes any information to the authority which/'\
3631 '3631' ' ' '1631/' ' it may require in the exercise of its functions under any special/'\

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3632 '3632' ' ' /'1632/' /' law it is entitled to administer or enforce , which he knows, or/''\
3633 '3633' ' ' /'1633/' /' has reasonable cause to believe to be false or misleading,/''\
3634 '3634' ' ' /'1634/' /' shall be guilty of an offence against this act, and shall on conviction/''\
3635 '3635' ' ' /'1635/' /' be liable to a fine (multa) not exceeding twelve thousand euro/''\
3636 '3636' ' ' /'1636/' /' ( 12,000) or to imprisonment for a period not exceeding three/''\
3637 '3637' ' ' /'1637/' /' months, or to both such fine and imprisonment./''\
3638 '3638' ' ' /'1638/' /' (6) the minister may make regulations on how this article/''\
3639 '3639' ' ' /'1639/' /' will apply with regard to innovative technology arrangements, their/''\
3640 '3640' ' ' /'1640/' /' protocols, nodes and users, including when the whole or parts of/''\
3641 '3641' ' ' /'1641/' /' which are automated or in relation to a decentralised autonomous/''\
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3643 '3643' ' '
3644 '3644' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
3645 '3645' ' ' /'1642/' /' organisation or similar context, so as to ensure that users or/''\
3646 '3646' ' ' /'1643/' /' designated classes of users are not subjected to the exercise of such/''\
3647 '3647' ' ' /'1644/' /' powers when they are not personally involved in the activity being/''\
3648 '3648' ' ' /'1645/' /' investigated or upon which enforcement is being taken./''\
3649 '3649' ' ' Back'\
3650 '3650' ' ' MaltaParl\_2018\_MDIA\_Act [151591:152334] '\
3651 '3651' ' ' (6) a person convicted under this article shall be liable to a/''\
3652 '3652' ' ' /'1954/' /' fine (multa) of:/''\
3653 '3653' ' ' /'1955/' /' /' '\
3654 '3654' ' ' /'1956/' /' 44 [ cap. 591. malta digital innovation authority/''\
3655 '3655' ' ' /'1957/' /' (a) not less than five thousand euro ( 5,000) and/''\
3656 '3656' ' ' /'1958/' /' not more than ten thousand euro ( 10,000) if the person enjoys/''\
3657 '3657' ' ' /'1959/' /' recognition by the authority; and/''\
3658 '3658' ' ' /'1960/' /' (b) not less than fifty thousand euro ( 50,000) and/''\
3659 '3659' ' ' /'1961/' /' not more than one hundred thousand euro ( 100,000) if the/''\
3660 '3660' ' ' /'1962/' /' person does not enjoy recognition by the authority./''\
3661 '3661' ' ' Back'\
3662 '3662' ' ' 20 Codings of /'framework/' from 5 files. '\
3663 '3663' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 7994: 8837] '\
3664 '3664' ' ' the first/''\
3665 '3665' ' ' /'96/' /' objective is one of legal certainty. for crypto–asset markets to develop within the eu,
        there is/''\
3666 '3666' ' ' /'97/' /' a need for a sound legal framework, clearly defining the regulatory treatment of all
        crypto–/''\
3667 '3667' ' ' /'98/' /' assets that are not covered by existing financial services legislation. the second
        objective is to/''\
3668 '3668' ' ' /'99/' /' support innovation. to promote the development of crypto–assets and the wider use of dlt,
        it/''\
3669 '3669' ' ' /'100/' /' is necessary to put in place a safe and proportionate framework to support innovation and
        fair/''\
3670 '3670' ' ' /'101/' /' competition. the third objective is to instil appropriate levels of consumer and investor
        /'\
3671 '3671' ' ' /'102/' /' protection and market integrity given that crypto–assets not covered by existing
        financial/''\
3672 '3672' ' ' /'103/' /' services legislation present many of the same risks as more familiar financial
        instruments.'
3673 '3673' ' ' Back'\
3674 '3674' '108 of 218
        6/09/2021,
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3675 '3675' ' '
3676 '3676' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
3677 '3677' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 6213: 6986] '\
3678 '3678' ' ' given these developments and as part of the commission s broader digital agenda, president/''\
3679 '3679' ' ' /'78/' /' ursula von der leyen has stressed the need for a common approach with member states on/'
        '\
3680 '3680' ' ' /'79/' /' cryptocurrencies to ensure we understand how to make the most of the opportunities they/'
        '\
3681 '3681' ' ' /'80/' /' create and address the new risks they may pose 9. while acknowledging the risks they may/'
        '\
3682 '3682' ' ' /'81/' /' present, the commission and the council also jointly declared in december 2019 that they/'
        '\
3683 '3683' ' ' /'82/' /' are committed to put in place a framework that will harness the potential opportunities
        that/''\
3684 '3684' ' ' /'83/' /' some crypto–assets may offer 10. more recently, the european parliament is working on a/'
        '\
3685 '3685' ' ' /'84/' /' report on digital finance , which has a particular focus on crypto assets.11/''\
3686 '3686' ' ' Back'\
3687 '3687' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 11188: 11512] '\
3688 '3688' ' ' this proposal is part of a broader framework on crypto–assets and distributed ledger/''\
3689 '3689' ' ' /'136/' /' technology (dlt), as it is accompanied by proposals ensuring that existing legislation

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does/' '\
3690 '3690' ' ' /'137/' ' ' not present obstacles to the uptake of new technologies while still reaching the relevant
/' '\
3691 '3691' ' ' /'138/' ' ' regulatory objectives./' '\
3692 '3692' ' ' Back' '\
3693 '3693' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 11776: 12139]' '\
3694 '3694' ' ' as part of the fintech action plan adopted in march 201815, the commission mandated the/' '\
3695 '3695' ' ' /'143/' ' ' european supervisory authorities (esas) to produce advice on the applicability and/' '\
3696 '3696' ' ' /'144/' ' ' suitability of the existing eu financial services regulatory framework on crypto-assets.
this/' '\
3697 '3697' ' ' /'145/' ' ' proposal builds on the advice received from the eba and esma.16/' '\
3698 '3698' ' ' Back' '\
3699 '3699' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 12844: 13288]' '\
3700 '3700' ' ' this proposal is closely linked with wider commission policies on blockchain technology./' '\
3701 '3701' ' ' /'155/' ' ' since crypto-assets, as the main application of blockchain technologies, are inextricably
linked/' '\
3702 '3702' ' ' /'156/' ' ' to the promotion of blockchain technology throughout europe. this proposal supports a/' '\
3703 '3703' ' ' /'157/' ' ' holistic approach to blockchain and dlt, which aims at positioning europe at the
forefront of/' '\
3704 '3704' ' ' /'158/' ' ' blockchain innovation and uptake.'
3705 '3705' ' ' Back' '\
3706 '3706' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 16397: 18767]' '\
3707 '3707' '109 of 218
6/09/2021, 1:01 am' '\
3708 '3708' ' '
3709 '3709' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3710 '3710' ' ' /'198/' ' ' today, crypto-asset issuers and service providers cannot fully reap the benefits of the
internal/' '\
3711 '3711' ' ' /'199/' ' ' market, due to a lack of both legal certainty about the regulatory treatment of crypto-
assets as/' '\
3712 '3712' ' ' /'200/' ' ' well as the absence of a dedicated and coherent regulatory and supervisory regime at eu/' '\
3713 '3713' ' ' /'201/' ' ' level. while a few member states have already implemented a bespoke regime to cover some/' '\
3714 '3714' ' ' /'202/' ' ' crypto-asset service providers or parts of their activity, in most member states they
operate/' '\
3715 '3715' ' ' /'203/' ' ' outside any regulatory regime. in addition, an increasing number of member states are/' '\
3716 '3716' ' ' /'204/' ' ' considering bespoke national frameworks to cater specifically for crypto-assets and
crypto-/' '\
3717 '3717' ' ' /'205/' ' ' asset service providers./' '\
3718 '3718' ' ' /'206/' ' ' the divergent frameworks, rules and interpretations of both crypto-assets and crypto-
asset/' '\
3719 '3719' ' ' /'207/' ' ' services throughout the union hinder the service providers ability to scale up their
activity at/' '\
3720 '3720' ' ' /'208/' ' ' eu level. this means that service providers of these inherently cross-border products and
/' '\
3721 '3721' ' ' /'209/' ' ' services are forced to familiarise themselves with several member states legislations,
obtain/' '\
3722 '3722' ' ' /'210/' ' ' multiple national authorisations or registrations and comply with often divergent
national/' '\
3723 '3723' ' ' /'211/' ' ' laws, sometimes adjusting their business model throughout the union. this results in high
/' '\
3724 '3724' ' ' /'212/' ' ' costs, legal complexity and uncertainty for service providers operating in the crypto-
assets/' '\
3725 '3725' ' ' /'213/' ' ' space, limiting the development and scaling up of crypto-asset activities in the union./' '\
3726 '3726' ' ' /'214/' ' ' additionally, the lack of applicable regimes to crypto-asset service providers in many/' '\
3727 '3727' ' ' /'215/' ' ' member states limits the availability of funding and sometimes even wider access to/' '\
3728 '3728' ' ' /'216/' ' ' necessary financial services, such as banking services, due to the regulatory uncertainty
/' '\
3729 '3729' ' ' /'217/' ' ' associated with crypto-assets and therefore crypto-asset service providers./' '\
3730 '3730' ' ' /'218/' ' ' these divergences also create an uneven playing field for crypto-asset service providers/' '\
3731 '3731' ' ' /'219/' ' ' depending on their location, creating further barriers to the smooth functioning of the
internal/' '\
3732 '3732' ' ' /'220/' ' ' market. finally, this adds to the lack of legal certainty, which, combined with the
absence of a/' '\
3733 '3733' ' ' /'221/' ' ' common eu framework, leaves consumers and investors exposed to substantial risks./' '\
3734 '3734' ' ' Back' '\
3735 '3735' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 15188: 16396]' '\
3736 '3736' ' ' stablish clear rules for the use of crypto-assets.21 this proposal is consistent with the sme/' '\
3737 '3737' ' ' /'185/' ' ' strategy adopted on 10 march 2020, which also highlights dlt and crypto-assets as/' '\
3738 '3738' ' ' /'186/' ' ' innovations that can enable smes to engage directly with investors.22/' '\

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3739 '3739' ' /'187/' /' finally , the proposal is fully in line with the recommendation in the security union  
strategy/' '\

3740 '3740' '110 of 218

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3741 '3741' ''

3742 '3742' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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3743 '3743' ' /'188/' /' for the development of a legislative framework in crypto-assets given the growing effect  
of/' '\

3744 '3744' ' /'189/' /' these new technologies on how financial assets are issued, exchanged, shared and accessed  
.23/' '\

3745 '3745' ' /'190/' /' 2. legal basis, subsidiarity and proportionality/' '\

3746 '3746' ' /'191/' /' legal basis/' '\

3747 '3747' ' /'192/' /' the proposal is based on article 114 tfeu, which confers on the european institutions the  
/' '\

3748 '3748' ' /'193/' /' competence to lay down appropriate provisions for the approximation of laws of the member  
/' '\

3749 '3749' ' /'194/' /' states that have as their objective the establishment and functioning of the internal  
market./' '\

3750 '3750' ' /'195/' /' the proposal aims to remove obstacles to establishment and improve the functioning of the  
/' '\

3751 '3751' ' /'196/' /' internal market for financial services by ensuring that the applicable rules are fully/' '  
\\

3752 '3752' ' /'197/' /' harmonised.'

3753 '3753' ' Back'\

3754 '3754' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 32295: 36565] '\

3755 '3755' ' option 1 bespoke legislative regime aimed at addressing the risks posed by/' '\

3756 '3756' ' /'379/' /' stablecoins and global stablecoins /' '\

3757 '3757' ' /'380/' /' by following a strict risk-based approach and building on recommendations currently being  
/' '\

3758 '3758' ' /'381/' /' developed by, for example, the fsb, this option would address vulnerabilities to  
financial/' '\

3759 '3759' ' /'382/' /' stability posed by stablecoins, while allowing for the development of different types of/  
'\

3760 '3760' ' /'383/' /' stablecoin business models. these would include specific disclosure requirements for/' '  
\\

3761 '3761' ' /'384/' /' stablecoin issuers as well as requirements imposed on the reserve backing the  
stablecoin ./' '\

3762 '3762' ' /'385/' /' option 2 regulating stablecoins under the electronic money directive/' '\

3763 '3763' ' /'386/' /' stablecoins whose value is backed by one single currency that is legal tender are close  
to the/' '\

3764 '3764' ' /'387/' /' definition of e-money under the electronic money directive. the aim of many stablecoins  
is/' '\

3765 '3765' ' /'388/' /' to create a means of payments and, when backed by a reserve of assets, some  
stablecoins /' '\

3766 '3766' ' /'389/' /' could become a credible means of exchange and store of value. in that sense,  
stablecoins can/' '\

3767 '3767' ' /'390/' /' arguably have common features with e-money. however, this option would require/' '\

3768 '3768' ' /'391/' /' stablecoin issuers to comply with existing legislation that may not be fit for purpose  
./' '\

3769 '3769' ' /'392/' /' although the electronic money directive and, by extension the payment services directive  
/' '\

3770 '3770' ' /'393/' /' could cover some stablecoin service providers, it might not mitigate adequately the  
most/' '\

3771 '3771' ' /'394/' /' significant risks to consumer protection, for example, those raised by wallet providers.  
in/' '\

3772 '3772' ' /'395/' /' addition, the electronic money directive does not set specific provisions for an entity  
that/' '\

3773 '3773' '111 of 218

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3774 '3774' ''

3775 '3775' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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3776 '3776' ' /'396/' /' would be systemic, which is what global stablecoins could potentially become./' '\

3777 '3777' ' /'397/' /' option 3 measures aimed at limiting the use of stablecoins within the eu /' '\

3778 '3778' ' /'398/' /' option 3 would be to restrict the issuance of stablecoins and the provision of services  
related/' '\

3779 '3779' ' /'399/' /' to this type of crypto-asset. this approach could potentially be justified, as the risks  
posed by/' '\

3780 '3780' ' /'400/' /' stablecoins and in particular those that could reach global scale (including risks to  
financial/' '\

3781 '3781' ' /'401/' /' stability, monetary policy and monetary sovereignty) would exceed the benefits offered to  
eu/' '\

3782 '3782' ' /'402/' /' consumers in terms of fast, cheap, efficient and inclusive means of payment. however,  
option/' '\



3783 '3783' ' ' /'403/' /' 3 would not only create costs for stablecoins already in operation, but it would also prevent/' '\

3784 '3784' ' ' /'404/' /' the reaping of any benefits related to this new type of crypto-assets. option 3 would not be/' '\

3785 '3785' ' ' /'405/' /' consistent with the objectives set at eu level to promote innovation in the financial sector./' '\

3786 '3786' ' ' /'406/' /' furthermore, option 3 could leave some financial stability risks unaddressed, should eu/' '\

3787 '3787' ' ' /'407/' /' consumers widely use stablecoins issued in third countries./' '\

3788 '3788' ' ' /'408/' /' the commission considered that option 1 was the preferred option for stablecoins in/' '\

3789 '3789' ' ' /'409/' /' combination with option 2, to avoid regulatory arbitrage between stablecoins that are/' '\

3790 '3790' ' ' /'410/' /' indistinguishable from e-money and the treatment of e-money issued on a distributed ledger./' '\

3791 '3791' ' ' /'411/' /' together with option 2 (full harmonisation as described above) for other types of crypto -/' '\

3792 '3792' ' ' /'412/' /' assets not covered by existing eu financial services legislation, these would create a/' '\

3793 '3793' ' ' /'413/' /' comprehensive and holistic eu framework on stablecoins, capable of mitigating the risks /' '\

3794 '3794' ' ' /'414/' /' identified by the financial stability board<sup>28</sup>, in particular financial stability risks. the/' '\

3795 '3795' ' ' /'415/' /' structure of stablecoins is complex and comprises many interdependent functions and legal/' '\

3796 '3796' ' ' /'416/' /' entities. the regulatory approach under option 1 (in combination with option 2 for hitherto/' '\

3797 '3797' ' ' /'417/' /' unregulated crypto-assets) would cover the different functions usually present in stablecoin /' '\

3798 '3798' ' ' /'418/' /' structures (governance body, asset management, payment and customer-interface functions)/' '\

3799 '3799' ' ' /'419/' /' and would also capture those interactions between entities that can amplify the risk to/' '\

3800 '3800' ' ' /'420/' /' financial stability./' '\

3801 '3801' ' ' /'421/' /' 28/' '\

3802 '3802' ' ' Back'\

3803 '3803' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 69279: 70801]'\

3804 '3804' ' ' (4) the lack of an overall union framework for crypto-assets can lead to a lack of users /' '\

3805 '3805' ' ' /'774/' /' confidence in those assets, which will hinder the development of a market in those/' '\

3806 '3806' '112 of 218  
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3807 '3807' ' ' file:///C:/Users/benwa/Documents/Studium/

3808 '3808' 'Codings created by RQDA. UoM\\_Masters/Study/Mast...'\

3809 '3809' ' ' /'775/' /' assets and can lead to missed opportunities in terms of innovative digital services,/' '\

3810 '3810' ' ' /'776/' /' alternative payment instruments or new funding sources for union companies. in/' '\

3811 '3811' ' ' /'777/' /' addition, companies using crypto-assets will have no legal certainty on how their/' '\

3812 '3812' ' ' /'778/' /' crypto-assets will be treated in the different member states, which will undermine/' '\

3813 '3813' ' ' /'779/' /' their efforts to use crypto-assets for digital innovation. the lack of an overall union/' '\

3814 '3814' ' ' /'780/' /' framework on crypto-assets could also lead to regulatory fragmentation, which will/' '\

3815 '3815' ' ' /'781/' /' distort competition in the single market, make it more difficult for crypto-asset/' '\

3816 '3816' ' ' /'782/' /' service providers to scale up their activities on a cross-border basis and will give rise /' '\

3817 '3817' ' ' /'783/' /' to regulatory arbitrage. the crypto-asset market is still modest in size and does not yet /' '\

3818 '3818' ' ' /'784/' /' pose a threat to financial stability. it is, however, likely that a subset of crypto-assets/' '\

3819 '3819' ' ' /'785/' /' which aim to stabilise their price by linking their value to a specific asset or a basket /' '\

3820 '3820' ' ' /'786/' /' of assets could be widely adopted by consumers. such a development could raise/' '\

3821 '3821' ' ' /'787/' /' additional challenges to financial stability, monetary policy transmission or monetary/' '\

3822 '3822' ' ' /'788/' /' sovereignty./' '\

3823 '3823' ' ' Back'\

3824 '3824' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [150545:156477]'\

3825 '3825' ' ' article 3/' '\

3826 '3826' ' ' /'1650/' /' definitions/' '\

3827 '3827' ' ' /'1651/' /' 1. for the purposes of this regulation, the following definitions apply:/' '\

3828 '3828' ' ' /'1652/' /' (1) distributed ledger technology or dlt means a type of technology that/' '\

3829 '3829' ' ' /'1653/' /' support the distributed recording of encrypted data;/' '\

3830 '3830' ' ' /'1654/' /' (2) crypto-asset means a digital representation of value or rights which may be/' '\

3831 '3831' ' ' /'1655/' /' transferred and stored electronically, using distributed ledger technology or/' '\

3832 '3832' ' ' /'1656/' /' similar technology;/' '\

3833 '3833' ' ' /'1657/' /' (3) asset-referenced token means a type of crypto-asset that purports to maintain/' '\

3834 '3834' ' ' /'1658/' /' a stable value by referring to the value of several fiat currencies that are legal/' '\

3835 '3835' ' ' /'1659/' /' tender, one or several commodities or one or several crypto-assets, or a/' '\



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3836 '3836' ' ' '1660/' ' combination of such assets;/' '\
3837 '3837' ' ' '1661/' ' (4) electronic money token or e-money token means a type of crypto-asset the/' '\
3838 '3838' ' ' '1662/' ' main purpose of which is to be used as a means of exchange and that purports/' '\
3839 '3839' '113 of 218

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3840 '3840' ' '
3841 '3841' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3842 '3842' ' '1663/' ' to maintain a stable value by referring to the value of a fiat currency that is/' '\
3843 '3843' ' '1664/' ' legal tender;/' '\
3844 '3844' ' '1665/' ' (5) utility token means a type of crypto-asset which is intended to provide digital/' '\
3845 '3845' ' '1666/' ' access to a good or service, available on dlt, and is only accepted by the/' '\
3846 '3846' ' '1667/' ' issuer of that token;/' '\
3847 '3847' ' '1668/' ' (6) issuer of crypto-assets means a legal person who offers to the public any type/' '\
3848 '3848' ' '1669/' ' of crypto-assets or seeks the admission of such crypto-assets to a trading/' '\
3849 '3849' ' '1670/' ' platform for crypto-assets;/' '\
3850 '3850' ' '1671/' ' (7) offer to the public means an offer to third parties to acquire a crypto-asset in/' '\
3851 '3851' ' '1672/' ' exchange for fiat currency or other crypto-assets;/' '\
3852 '3852' ' '1673/' ' (8) crypto-asset service provider means any person whose occupation or business/' '\
3853 '3853' ' '1674/' ' is the provision of one or more crypto-asset services to third parties on a/' '\
3854 '3854' ' '1675/' ' professional basis;/' '\
3855 '3855' ' '1676/' ' (9) crypto-asset service means any of the services and activities listed below/' '\
3856 '3856' ' '1677/' ' relating to any crypto-asset;/' '\
3857 '3857' ' '1678/' ' (a) the custody and administration of crypto-assets on behalf of third parties;/' '\
3858 '3858' ' '1679/' ' (b) the operation of a trading platform for crypto-assets;/' '\
3859 '3859' ' '1680/' ' (c) the exchange of crypto-assets for fiat currency that is legal tender;/' '\
3860 '3860' ' '1681/' ' (d) the exchange of crypto-assets for other crypto-assets;/' '\
3861 '3861' ' '1682/' ' (e) the execution of orders for crypto-assets on behalf of third parties;/' '\
3862 '3862' ' '1683/' ' (f) placing of crypto-assets;/' '\
3863 '3863' ' '1684/' ' (g) the reception and transmission of orders for crypto-assets on behalf of/' '\
3864 '3864' ' '1685/' ' third parties/' '\
3865 '3865' ' '1686/' ' (h) providing advice on crypto-assets;/' '\
3866 '3866' ' '1687/' ' en 34 en/' '\
3867 '3867' ' '1688/' ' /' '\
3868 '3868' ' '1689/' ' (10) the custody and administration of crypto-assets on behalf of third parties /' '\
3869 '3869' ' '1690/' ' means safekeeping or controlling, on behalf of third parties, crypto-assets or/' '\
3870 '3870' ' '1691/' ' the means of access to such crypto-assets, where applicable in the form of/' '\
3871 '3871' ' '1692/' ' private cryptographic keys;/' '\
3872 '3872' '114 of 218

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3873 '3873' ' '
3874 '3874' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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3875 '3875' ' '1693/' ' (11) the operation of a trading platform for crypto-assets means managing one or/' '\
3876 '3876' ' '1694/' ' more trading platforms for crypto-assets, within which multiple third-party/' '\
3877 '3877' ' '1695/' ' buying and selling interests for crypto-assets can interact in a manner that/' '\
3878 '3878' ' '1696/' ' results in a contract, either by exchanging one crypto-asset for another or a/' '\
3879 '3879' ' '1697/' ' crypto-asset for fiat currency that is legal tender;/' '\
3880 '3880' ' '1698/' ' (12) the exchange of crypto-assets for fiat currency means concluding purchase or/' '\
3881 '3881' ' '1699/' ' sale contracts concerning crypto-assets with third parties against fiat currency/' '\
3882 '3882' ' '1700/' ' that is legal tender by using proprietary capital;/' '\
3883 '3883' ' '1701/' ' (13) the exchange of crypto-assets for other crypto-assets means concluding/' '\
3884 '3884' ' '1702/' ' purchase or sale contracts concerning crypto-assets with third parties against/' '\
3885 '3885' ' '1703/' ' other crypto-assets by using proprietary capital;/' '\
3886 '3886' ' '1704/' ' (14) the execution of orders for crypto-assets on behalf of third parties means/' '\
3887 '3887' ' '1705/' ' concluding agreements to buy or to sell one or more crypto-assets or to/' '\
3888 '3888' ' '1706/' ' subscribe for one or more crypto-assets on behalf of third parties;/' '\
3889 '3889' ' '1707/' ' (15) placing of crypto-assets means the marketing of newly-issued crypto-assets/' '\
3890 '3890' ' '1708/' ' or of crypto-assets that are already issued but that are not admitted to trading/' '\
3891 '3891' ' '1709/' ' on a trading platform for crypto-assets, to specified purchasers and which does/' '\
3892 '3892' ' '1710/' ' not involve an offer to the public or an offer to existing holders of the issuer s/' '\
3893 '3893' ' '1711/' ' crypto-assets;/' '\
3894 '3894' ' '1712/' ' (16) the reception and transmission of orders for crypto-assets on behalf of third/' '\
3895 '3895' ' '1713/' ' parties means the reception from a person of an order to buy or to sell one or/' '\
3896 '3896' ' '1714/' ' more crypto-assets or to subscribe for one or more crypto-assets and the/' '\
3897 '3897' ' '1715/' ' transmission of that order to a third party for execution;/' '\
3898 '3898' ' '1716/' ' (17) providing advice on crypto-assets means offering, giving or agreeing to give/' '\
3899 '3899' ' '1717/' ' personalised or specific recommendations to a third party, either at the third/' '\
3900 '3900' ' '1718/' ' party's request or on the initiative of the crypto-asset service provider/' '\
3901 '3901' ' '1719/' ' providing the advice, concerning the acquisition or the sale of one or more/' '\
3902 '3902' ' '1720/' ' crypto-assets, or the use of crypto-asset services;/' '\
3903 '3903' ' Back'\

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3904 '3904' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [537455:537691] '\\  
3905 '3905' '115 of 218 6/09/2021,  
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3906 '3906' ' '  
3907 '3907' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
3908 '3908' ' (j) an assessment of whether the scope of crypto-asset services covered by this/' '\\  
3909 '3909' ' /'6153/' /' regulation is appropriate and whether any adjustment to the definitions set out/' '\\  
3910 '3910' ' /'6154/' /' in this regulation is needed;/' '\\  
3911 '3911' ' Back '\\  
3912 '3912' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [551843:552627] '\\  
3913 '3913' ' 1.4.1. general objective(s)/' '\\  
3914 '3914' ' /'6308/' /' this initiative has four general objectives. the first is to provide legal clarity and  
certainty to/' '\\  
3915 '3915' ' /'6309/' /' promote the safe development of crypto-assets and use of dlt in financial services.  
secondly,/' '\\  
3916 '3916' ' /'6310/' /' the initiative should support innovation and fair competition by creating an enabling/' '  
\\  
3917 '3917' ' /'6311/' /' framework for the issuance and provision of services related to crypto-assets. the third  
/' '\\  
3918 '3918' ' /'6312/' /' objective is to ensure a high level of consumer and investor protection and market  
integrity,/' '\\  
3919 '3919' ' /'6313/' /' and the fourth is to address potential financial stability and monetary policy risks  
that could/' '\\  
3920 '3920' ' /'6314/' /' arise from an increased use of crypto-assets and dlt./' '\\  
3921 '3921' ' Back '\\  
3922 '3922' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [566698:567450] '\\  
3923 '3923' ' /'6464/' /' to the promotion of blockchain technology throughout europe. this proposal supports a/' '  
\\  
3924 '3924' ' /'6465/' /' holistic approach to blockchain and dlt, which aims at positioning europe at the  
forefront of/' '\\  
3925 '3925' ' /'6466/' /' blockchain innovation and uptake. policy work in this area has included the creation of  
the/' '\\  
3926 '3926' ' /'6467/' /' european blockchain observatory and forum, and the european blockchain partnership,/' '\\  
3927 '3927' ' /'6468/' /' which unites all member states at political level, as well as the public-private  
partnerships/' '\\  
3928 '3928' ' /'6469/' /' envisaged with the international association for trusted blockchain applications./' '\\  
3929 '3929' ' /'6470/' /' it is also consistent with the union policies aimed at creating a capital markets union '  
3930 '3930' ' Back '\\  
3931 '3931' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [572430:572959] '\\  
3932 '3932' ' payment modalities and the control strategy proposed/' '\\  
3933 '3933' ' /'6531/' /' management will take place through the three european supervisory authorities (esas)./' '  
\\  
3934 '3934' ' /'6532/' /' as regards the control strategy, the three esas work closely with the commission s  
internal/' '\\  
3935 '3935' ' /'6533/' /' audit service to ensure that appropriate standards are met in all areas of internal  
control/' '\\  
3936 '3936' ' /'6534/' /' framework. those arrangements will also apply to the role of the agencies in respect of  
the/' '\\  
3937 '3937' ' /'6535/' /' current proposal./' '\\  
3938 '3938' '116 of 218 6/09/20  
21, 1:01 am '\\  
3939 '3939' ' '  
3940 '3940' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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3941 '3941' ' Back '\\  
3942 '3942' ' EUParl\\_AML\\_Criminal\\_2018\\_1673 [ 6699: 6929] '\\  
3943 '3943' ' the integrity of public institutions, member states should be able to consider including more severe  
penalties for/' '\\  
3944 '3944' ' /'60/' /' public office holders in their national frameworks in accordance with their legal  
traditions./' '\\  
3945 '3945' ' Back '\\  
3946 '3946' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [ 7114: 9206] '\\  
3947 '3947' ' (7) union measures should also accurately reflect developments and commitments undertaken at '  
3948 '3948' ' international level./' '\\  
3949 '3949' ' /'67/' /' therefore, un security council resolution (unscr) 2195 (2014) on threats to international  
peace and '  
3951 '3951' ' security/' '\\  
3952 '3952' ' /'68/' /' and uncsrs 2199(2015) and 2253(2015) on threats to international peace and security caused  
by '  
3953 '3953' ' terrorist acts,/' '\\  
3954 '3954' ' /'69/' /' should be taken into account. those uncsrs deal with, respectively, the links between  
terrorism and '  
3955 '3955' ' transnational/' '\\

3956 '3956' ' ' /'70/' /' organised crime , preventing terrorist groups from gaining access to international financial ' institutions and/' '\

3957 '3957' ' ' /'71/' /' expanding the sanctions framework to include islamic state in iraq and levant./' '\

3958 '3958' ' ' /'72/' /' (8) providers engaged in exchange services between virtual currencies and fiat currencies (that is to ' say coins and/' '\

3960 '3960' ' ' /'73/' /' banknotes that are designated as legal tender and electronic money, of a country , accepted as a ' medium of/' '\

3962 '3962' ' ' /'74/' /' exchange in the issuing country) as well as custodian wallet providers are under no union ' obligation to/' '\

3963 '3963' ' ' /'75/' /' identify suspicious activity. therefore , terrorist groups may be able to transfer money into the union ' financial/' '\

3966 '3966' ' ' /'76/' /' system or within virtual currency networks by concealing transfers or by benefiting from a certain ' degree of/' '\

3968 '3968' ' ' /'77/' /' anonymity on those platforms. it is therefore essential to extend the scope of directive ( eu ) ' 2015/849 so as to/' '\

3969 '3969' ' ' /'78/' /' include providers engaged in exchange services between virtual currencies and fiat currencies as ' well as custodian/' '\

3970 '3970' ' ' /'79/' /' wallet providers. for the purposes of anti–money laundering and countering the financing of ' terrorism (aml/cft) ,/' '\

3972 '3972' ' ' /'80/' /' competent authorities should be able , through obliged entities , to monitor the use of virtual ' currencies. such/' '\

3974 '3974' ' ' /'81/' /' monitoring would provide a balanced and proportional approach, safeguarding technical advances ' 6/09/2021, 1:01 am'\

3976 '3976' ' ' file :///C:/Users/benwa/Documents/Studium/ UoM\\_Masters/Study/Mast... '\

3978 '3978' ' ' and the high/' '\

3979 '3979' ' ' /'82/' /' degree of transparency attained in the field of alternative finance and social entrepreneurship./' '\

3980 '3980' ' ' Back'\

3981 '3981' ' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [154833:155990] '\

3982 '3982' ' ' (g) an evaluation of how fundamental rights and principles recognised by the charter of fundamental ' rights of the/' '\

3983 '3983' ' ' /'1389/' /' european union have been respected./' '\

3984 '3984' ' ' /'1390/' /' the first report , to be published by 11 january 2022, shall be accompanied , if necessary , by ' appropriate legislative/' '\

3985 '3985' ' ' /'1391/' /' proposals , including , where appropriate , with respect to virtual currencies , empowerments to set– ' up and maintain a/' '\

3986 '3986' ' ' /'1392/' /' central database registering users identities and wallet addresses accessible to fius , as well as ' self–declaration forms/' '\

3987 '3987' ' ' /'1393/' /' for the use of virtual currency users , and to improve cooperation between asset recovery offices ' of the member/' '\

3988 '3988' ' ' /'1394/' /' states and a risk–based application of the measures referred to in point (b) of article 20./' '\

3989 '3989' ' ' /'1395/' /' 2. by 1 june 2019, the commission shall assess the framework for fius cooperation with third ' countries and/' '\

3990 '3990' ' ' /'1396/' /' obstacles and opportunities to enhance cooperation between fius in the union including the ' possibility of estab/' '\

3991 '3991' ' ' /'1397/' /' lishing a coordination and support mechanism./' '\

3992 '3992' ' ' Back'\

3993 '3993' ' ' MaltaParl\\_2018\\_MDIA\\_Act [179706:179960] '\

3994 '3994' ' ' (e) implement any international convention or any/' '\

3995 '3995' ' ' /'2311/' /' eu regulation or directive , to the extent necessary , to which/' '\

3996 '3996' ' ' /'2312/' /' malta has adhered to in the context of the innovative/' '\

3997 '3997' ' ' /'2313/' /' technology arrangements sector;/' '\

3998 '3998' ' ' Back'\

3999 '3999' ' ' MaltaParl\\_2018\\_VFA\\_Act [ 3759: 4198] '\

4000 '4000' ' ' // 'directive 2013/36/eu// ' means directive 2013/36/eu of/' '\

4001 '4001' ' ' /'58/' /' the european parliament and of the council of 26 june 2013 on/' '\

4002 '4002' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4003 '4003' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4004 '4004' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4005 '4005' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4006 '4006' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4007 '4007' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4008 '4008' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4009 '4009' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4010 '4010' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4011 '4011' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

4012 '4012' ' ' /'59/' /' access to the activity of credit institutions and the prudential/' '\

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4013 '4013' ' ' //60/' ' supervision of credit institutions and investment firms, as/' '\
4014 '4014' ' ' //61/' ' amended from time to time and includes any implementing/' '\
4015 '4015' '118 of 218
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4016 '4016' ' '
4017 '4017' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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4018 '4018' ' ' //62/' ' measures that have been or may be issued thereunder;/' '\
4019 '4019' ' ' Back'\
4020 '4020' ' ' MaltaPart\_2018\_VFA\_Act [ 4692: 5168] '\
4021 '4021' ' ' //money market fund/' means a money market fund/' '\
4022 '4022' ' ' //70/' ' authorised under regulation (eu) 2017/1131;/' '\
4023 '4023' ' ' //71/' ' //payment institution/' shall have the same meaning/' '\
4024 '4024' ' ' //72/' ' cap. 376./' '\
4025 '4025' ' ' //73/' ' assigned to it under the financial institutions act;/' '\
4026 '4026' ' ' //74/' ' //regulation (eu) 2017/1131/' means regulation (eu)/' '\
4027 '4027' ' ' //75/' ' 2017/1131 of the european parliament and of the council of 14/' '\
4028 '4028' ' ' //76/' ' june 2017 on money market funds;/' '\
4029 '4029' ' ' Back'\
4030 '4030' ' ' 33 Codings of /'holder/' from 5 files.' '\
4031 '4031' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 18367: 18767] '\
4032 '4032' ' ' these divergences also create an uneven playing field for crypto-asset service providers/' '\
4033 '4033' ' ' //219/' ' depending on their location, creating further barriers to the smooth functioning of the
        internal/' '\
4034 '4034' ' ' //220/' ' market. finally, this adds to the lack of legal certainty, which, combined with the
        absence of a/' '\
4035 '4035' ' ' //221/' ' common eu framework, leaves consumers and investors exposed to substantial risks./' '\
4036 '4036' ' ' Back'\
4037 '4037' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [115807:118174] '\
4038 '4038' ' ' (53) to facilitate transparency for holders of crypto-assets as regards the provision of/' '\
4039 '4039' ' ' //1268/' ' crypto-asset services, esma should establish a register of crypto-asset service/' '\
4040 '4040' ' ' //1269/' ' en 25 en/' '\
4041 '4041' ' ' //1270/' ' /' '\
4042 '4042' ' ' //1271/' ' providers, which should include information on the entities authorised to provide those/
        '\
4043 '4043' ' ' //1272/' ' services across the union. that register should also include the crypto-asset white/' '\
4044 '4044' ' ' //1273/' ' papers notified to competent authorities and published by issuers of crypto-assets./' '\
4045 '4045' ' ' //1274/' ' (54) some firms subject to union legislation on financial services should be allowed to/
        '\
4046 '4046' ' ' //1275/' ' provide crypto-asset services without prior authorisation. credit institutions
        authorised/' '\
4047 '4047' '119 of 218
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4048 '4048' ' '
4049 '4049' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
4050 '4050' ' ' //1276/' ' under directive 2013/36/eu should not need another authorisation to provide crypto-/' '\
4051 '4051' ' ' //1277/' ' asset services. investment firms authorised under directive 2014/65/eu to provide one/' '\
4052 '4052' ' ' //1278/' ' or several investment services as defined under that directive similar to the crypto-/' '\
4053 '4053' ' ' //1279/' ' asset services they intend to provide should also be allowed to provide crypto-asset/' '\
4054 '4054' ' ' //1280/' ' services across the union without another authorisation./' '\
4055 '4055' ' ' //1281/' ' (55) in order to ensure consumer protection, market integrity and financial stability,
        crypto-/' '\
4056 '4056' ' ' //1282/' ' asset service providers should always act honestly, fairly and professionally in the
        best/' '\
4057 '4057' ' ' //1283/' ' interest of their clients. crypto-asset services should be considered financial
        services /' '\
4058 '4058' ' ' //1284/' ' as defined in directive 2002/65/ec of the european parliament and of the council 42./' '\
4059 '4059' ' ' //1285/' ' where marketed at distance, the contracts between crypto-asset service providers and/' '\
4060 '4060' ' ' //1286/' ' consumers should be subject to that directive. crypto-asset service providers should/' '\
4061 '4061' ' ' //1287/' ' provide their clients with clear, fair and not misleading information and warn them/' '\
4062 '4062' ' ' //1288/' ' about the risks associated with crypto-assets. crypto-asset service providers should/' '\
4063 '4063' ' ' //1289/' ' make their pricing policies public, should establish a complaint handling procedure/' '\
4064 '4064' ' ' //1290/' ' and should have a robust policy to identify, prevent, manage and disclose conflicts of/
        '\
4065 '4065' ' ' //1291/' ' interest./' '\
4066 '4066' ' ' Back'\
4067 '4067' ' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 5709: 5836] '\
4068 '4068' ' ' information on the manner and time schedule of transferring the purchased crypto-/' '\

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4069 '4069' ' ' '76/' ' assets to the holders;/' '\
4070 '4070' ' ' Back'\
4071 '4071' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 15940: 16105] '\
4072 '4072' ' any related fees applied by the issuer of e-money tokens when the redemption right/' '\
4073 '4073' ' /'205/' ' at par value is exercised by the holder of e-money tokens;/' '\
4074 '4074' ' ' Back'\
4075 '4075' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 25965: 27357] '\
4076 '4076' ' 19. the issuer infringes article 28(1) by not taking all appropriate steps to prevent/' '\
4077 '4077' ' /'329/' ' identify, manage and disclose conflicts of interest arising from management and/' '\
4078 '4078' ' /'330/' ' investment of the reserve assets./' '\
4079 '4079' ' /'331/' ' 20. the issuer infringes article 28, paragraphs (2) to (4), by not disclosing to the
holders/' '\
4080 '4080' ' /'332/' ' of significant asset-referenced tokens the general nature and sources of conflicts of/' '\
4081 '4081' ' '120 of 218
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4082 '4082' ' '
4083 '4083' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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4084 '4084' ' /'333/' ' interest and the steps taken to mitigate those risks, or by not making this disclosure/' '\
4085 '4085' ' /'334/' ' on a durable medium, or by not being sufficiently precise in the disclosure to enable/' '\
4086 '4086' ' /'335/' ' the holders of significant asset-referenced tokens to take an informed purchasing/' '\
4087 '4087' ' /'336/' ' decision about such tokens./' '\
4088 '4088' ' /'337/' ' 21. the issuer infringes article 29, by not notifying to the eba of any changes to their/' '\
4089 '4089' ' /'338/' ' management body./' '\
4090 '4090' ' /'339/' ' 22. the issuer infringes article 30(1) by not having robust governance arrangements./' '\
4091 '4091' ' /'340/' ' which include a clear organisational structure with well-defined, transparent and/' '\
4092 '4092' ' /'341/' ' consistent lines of responsibility, effective processes to identify, manage, monitor/' '\
4093 '4093' ' /'342/' ' and report the risks to which it is or might be exposed, and adequate internal control/' '\
4094 '4094' ' /'343/' ' processes, including sound administrative and accounting procedures./' '\
4095 '4095' ' ' Back'\
4096 '4096' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 39757: 40008] '\
4097 '4097' ' the issuer infringes article 36 by providing for interests or any other benefits related/' '\
4098 '4098' ' /'486/' ' to the length of time during which a holder of significant asset-referenced tokens/' '\
4099 '4099' ' /'487/' ' holds such significant asset-referenced tokens./' '\
4100 '4100' ' ' Back'\
4101 '4101' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 24331: 24659] '\
4102 '4102' ' 16. the issuer infringes article 27(3), by not developing and/or making available to the/' '\
4103 '4103' ' /'310/' ' holders of significant asset-referenced tokens a template for filing complaints and/or/' '\
4104 '4104' ' /'311/' ' by not keeping a record of all complaints received and any measures taken in/' '\
4105 '4105' ' /'312/' ' response to those complaints./' '\
4106 '4106' ' ' Back'\
4107 '4107' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 42023: 42332] '\
4108 '4108' ' 65. the issuer infringes article 42(2) by not having a plan that includes contractual/' '\
4109 '4109' ' /'512/' ' arrangements, procedures or systems ensuring that the proceeds from the sale of the/' '\
4110 '4110' ' /'513/' ' remaining reserve assets are paid to the holders of the significant asset-referenced/' '\
4111 '4111' ' /'514/' ' tokens./' '\
4112 '4112' ' ' Back'\
4113 '4113' ' MaltaParl\_2018\_ITAS\_Act [ 16802: 17127] '\
4114 '4114' ' to enhance the qualitative/' '\
4115 '4115' ' '121 of 218
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4116 '4116' ' '
4117 '4117' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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4118 '4118' ' /'227/' ' standards of its reviews but such amendments shall not, except with/' '\
4119 '4119' ' /'228/' ' the consent of any applicant with a pending application or the holder/' '\
4120 '4120' ' /'229/' ' of the certification, come into force prior to the lapse of at least six/' '\
4121 '4121' ' ' Back'\
4122 '4122' ' MaltaParl\_2018\_ITAS\_Act [ 21295: 22031] '\
4123 '4123' ' (ii) if there are shareholders in any legal/' '\
4124 '4124' ' /'282/' ' organisation which owns or controls the innovative/' '\
4125 '4125' ' /'283/' ' technology arrangement, any shareholder holding/' '\
4126 '4126' ' /'284/' ' more than twenty-five per cent (25%) of the shares or/' '\
4127 '4127' ' /'285/' ' ownership interests in the said legal organisation or/' '\
4128 '4128' ' /'286/' ' who, through provisions of the statute, has special/' '\
4129 '4129' ' /'287/' ' voting or other rights permitting him to exercise/' '\
4130 '4130' ' /'288/' ' effective control over the activities of the legal/' '\
4131 '4131' ' /'289/' ' organisation, (hereinafter referred to as a /'qualifying/' '\
4132 '4132' ' /'290/' ' shareholder/' ') shall be a fit and proper person,/' '\
4133 '4133' ' ' Back'\
4134 '4134' ' MaltaParl\_2018\_ITAS\_Act [ 38559: 39515] '\

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4135 '4135' ' (2) the authority may register any innovative technology/' '\

4136 '4136' ' /'518/' ' service provider when it is satisfied that the innovative technology/' '\

4137 '4137' ' /'519/' ' service provider:' '\

4138 '4138' ' /'520/' ' (a) is fit and proper for the provision of the services/' '\

4139 '4139' ' /'521/' ' it declares he is providing or intends to provide and, when/' '\

4140 '4140' ' /'522/' ' organised as a legal organisation, any shareholder holding/' '\

4141 '4141' ' /'523/' ' more than twenty-five per cent (25%) of the voting shares/' '\

4142 '4142' ' /'524/' ' shall be a fit and proper person and any administrator of such/' '\

4143 '4143' ' /'525/' ' legal organisation shall be a fit and proper person to carry out/' '\

4144 '4144' ' /'526/' ' such activities or functions or the role such person has/' '\

4145 '4145' ' /'527/' ' assumed with regard to the legal organisation;' '\

4146 '4146' ' Back'\

4147 '4147' ' MaltaParl\\_2018\\_ITAS\\_Act [ 46396: 47250]'\

4148 '4148' ' (2) in so far as an innovative technology arrangement is/' '\

4149 '4149' '122 of 218

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4150 '4150' ''

4151 '4151' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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4152 '4152' ' /'618/' 'concerned, the holder of the certificate shall also provide the/' '\

4153 '4153' ' /'619/' 'authority with a declaration by a registered systems auditor and a/' '\

4154 '4154' ' /'620/' 'registered technical administrator that they are aware of the material/' '\

4155 '4155' ' /'621/' 'changes which have been made to the information previously/' '\

4156 '4156' ' /'622/' 'provided to the authority and that such changes do not affect the/' '\

4157 '4157' ' /'623/' 'content of their review, assurances or declarations provided to the/' '\

4158 '4158' ' /'624/' 'authority for the purposes of the certification of the relevant/' '\

4159 '4159' ' /'625/' 'innovative technology arrangement or, to the extent that the changes/' '\

4160 '4160' ' /'626/' 'result in additional features which have not been reviewed and do not/' '\

4161 '4161' ' /'627/' 'fall within the parameters of existing assurances and declarations/' '\

4162 '4162' ' /'628/' 'issued by them as required under article 8:' '\

4163 '4163' ' Back'\

4164 '4164' ' MaltaParl\\_2018\\_ITAS\\_Act [ 52811: 53067]'\

4165 '4165' ' (3) the holder of an innovative technology authorisation/' '\

4166 '4166' ' /'701/' ' shall ensure that it has a validly appointed resident agent at all times/' '\

4167 '4167' ' /'702/' ' when there is no person involved in the administration of the holder/' '\

4168 '4168' ' Back'\

4169 '4169' ' MaltaParl\\_2018\\_ITAS\\_Act [ 55464: 56322]'\

4170 '4170' ' agent, on functions of the/' '\

4171 '4171' ' /'738/' ' resident agent.' '\

4172 '4172' ' /'739/' 'behalf of the innovative technology authorisation holder, to -/' '\

4173 '4173' ' /'740/' ' (a) act as the channel of communication between the/' '\

4174 '4174' ' /'741/' ' innovative technology authorisation holder and the authority/' '\

4175 '4175' ' /'742/' ' and other maltese government departments and authorities;' '\

4176 '4176' ' /'743/' ' (b) sign and file with the authority and other/' '\

4177 '4177' ' /'744/' ' maltese government departments and authorities all/' '\

4178 '4178' ' /'745/' ' declarations and forms required in terms of maltese law;' '\

4179 '4179' ' /'746/' ' (c) act as the judicial representative of the/' '\

4180 '4180' ' /'747/' ' innovative technology authorisation holder for judicial/' '\

4181 '4181' ' /'748/' ' proceedings in malta, and any notice whether by the authority/' '\

4182 '4182' ' Back'\

4183 '4183' '123 of 218

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4184 '4184' ''

4185 '4185' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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4186 '4186' ' MaltaParl\\_2018\\_ITAS\\_Act [ 65250: 65494]'\

4187 '4187' ' 19. every holder of an innovative technology authorisation/' '\

4188 '4188' ' /'864/' ' shall pay to the authority such fees on initial application and on/' '\

4189 '4189' ' /'865/' ' renewal thereafter as may from time to time be prescribed.' '\

4190 '4190' ' Back'\

4191 '4191' ' MaltaParl\\_2018\\_ITAS\\_Act [ 76729: 77990]'\

4192 '4192' ' to changes in administrators or shareholders is being made to the/' '\

4193 '4193' ' /'1022/' ' authority.' '\

4194 '4194' ' /'1023/' ' 1.0.4 the calculation of the nature and extent of ownership/' '\

4195 '4195' ' /'1024/' ' or control stated hereunder shall be made on a direct or indirect basis.' '\

4196 '4196' ' /'1025/' ' in relation to a person holding such rights or powers such calculation/' '\

4197 '4197' ' /'1026/' ' shall also, to the extent possible, be made on a cumulative basis/' '\

4198 '4198' ' /'1027/' ' irrespective of in how many wallets or in what manner such rights/' '\

4199 '4199' ' /'1028/' ' and powers may be held. if shares are held by an intermediary, then/' '\

4200 '4200' ' /'1029/' ' the tests in this schedule shall be applied to the beneficial owners/' '\

4201 '4201' ' /'1030/' ' who shall be obliged to advise the administrators or the authority of/' '\

4202 '4202' ' /'1031/' ' their cumulative beneficial ownership interests. until such time as the/' '\

4203 '4203' ' /'1032/' ' technology of the arrangement can carry out such calculations, the/' '\

4204 '4204' ' /'1033/' ' duty to declare totals of holdings in cases of multiple holdings, rights/' '\

4205 '4205' ' /'1034/' ' or powers shall be that of a user who shall be advised of such duty in/' '\

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4206 '4206' ' ' // '1035/' ' any relevant documentation , including any whitepaper./''\\
4207 '4207' ' ' Back'\\
4208 '4208' ' ' MaltaParl\_2018\_MDIA\_Act [ 8713: 9198]'\\
4209 '4209' ' ' // 'user/' ' means any person who uses or otherwise participates in/'\\
4210 '4210' ' ' // '121/' ' or engages with an innovative technology arrangement of any type/'\\
4211 '4211' ' ' // '122/' ' whether he is a holder of any direct or indirect ownership or control/'\\
4212 '4212' ' ' // '123/' ' rights or otherwise and includes but is not restricted to miners./''\\
4213 '4213' ' ' // '124/' ' consumers , oracles , persons with governance , compliance , regulatory/'\\
4214 '4214' ' ' // '125/' ' or other functions and may form part of a class of users with the same/'\\
4215 '4215' ' ' // '126/' ' rights and powers or otherwise./''\\
4216 '4216' '124 of 218
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4217 '4217' ' '
4218 '4218' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\\
4219 '4219' ' ' Back'\\
4220 '4220' ' ' MaltaParl\_2018\_MDIA\_Act [ 66424: 66883]'\\
4221 '4221' ' ' money laundering. 24. (1) an authorisation holder or persons acting on his/'\\
4222 '4222' ' ' // '863/' ' behalf or under an arrangement with him shall fulfil any prevention/'\\
4223 '4223' ' ' // '864/' ' of money laundering and the combating of funding of terrorism/'\\
4224 '4224' ' ' // '865/' ' obligations as may be imposed on them by means of regulations/'\\
4225 '4225' ' ' // '866/' ' cap. 373. made under article 12 of the prevention of money laundering act./''\\
4226 '4226' ' ' Back'\\
4227 '4227' ' ' MaltaParl\_2018\_MDIA\_Act [ 75311: 76186]'\\
4228 '4228' ' ' for the better carrying out of the provisions of/'\\
4229 '4229' ' ' // '974/' ' this act , the authority may , from time to time , issue and publish/'\\
4230 '4230' ' ' // '975/' ' innovative technology authorisation rules which shall be binding on/'\\
4231 '4231' ' ' // '976/' ' innovative technology authorisation holders and others as may be/'\\
4232 '4232' ' ' // '977/' ' specified therein./''\\
4233 '4233' ' ' // '978/' ' (c) in the interest of transparency and market/'\\
4234 '4234' ' ' // '979/' ' awareness , such innovative technology authorisation rules may lay/'\\
4235 '4235' ' ' // '980/' ' down additional requirements and conditions in relation to activities/'\\
4236 '4236' ' ' // '981/' ' of innovative technology authorisation holders , the conduct of their/'\\
4237 '4237' ' ' // '982/' ' business , their relations with customers , the public and other parties./''\\
4238 '4238' ' ' // '983/' ' their responsibilities to the authority , reporting requirements./''\\
4239 '4239' ' ' Back'\\
4240 '4240' ' ' MaltaParl\_2018\_MDIA\_Act [ 36742: 37128]'\\
4241 '4241' ' ' it shall seek such/'\\
4242 '4242' ' ' // '491/' ' information under conditions acceptable to the holder of the/'\\
4243 '4243' ' ' // '492/' ' innovative technology authorisation intended to protect his/'\\
4244 '4244' ' ' // '493/' ' commercial interest or otherwise under the conditions/'\\
4245 '4245' ' ' // '494/' ' established by the first hall , civil court;/'\\
4246 '4246' ' ' Back'\\
4247 '4247' ' ' MaltaParl\_2018\_MDIA\_Act [ 37179: 37771]'\\
4248 '4248' ' ' to be a user and hold any wallet , account or other/'\\
4249 '4249' '125 of 218
        6/09/2021, 1:01 am'\\
4250 '4250' ' '
4251 '4251' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\\
4252 '4252' ' ' // '496/' ' facility in relation to any form of digital assets in order to be/'\\
4253 '4253' ' ' // '497/' ' able to carry out regulatory compliance functions , including./''\\
4254 '4254' ' ' // '498/' ' inter alia , to access information within the particular/'\\
4255 '4255' ' ' // '499/' ' arrangement which is recognised under this act or any other/'\\
4256 '4256' ' ' // '500/' ' special law which the authority is entitled to administer or/'\\
4257 '4257' ' ' // '501/' ' enforce; and/'\\
4258 '4258' ' ' Back'\\
4259 '4259' ' ' MaltaParl\_2018\_MDIA\_Act [ 90377: 90633]'\\
4260 '4260' ' ' (3) the authority shall designate from time to time the/'\\
4261 '4261' ' ' // '1166/' ' holders of office or other functionaries within the applicant who shall/'\\
4262 '4262' ' ' // '1167/' ' have the duties of notification to the authority under this act./''\\
4263 '4263' ' ' Back'\\
4264 '4264' ' ' MaltaParl\_2018\_MDIA\_Act [ 93011: 94510]'\\
4265 '4265' ' ' regulatory powers/'\\
4266 '4266' ' ' // '1203/' ' 34. (1) the authority may at any time revoke , cancel or power of/'\\
4267 '4267' ' ' // '1204/' ' competent/'\\
4268 '4268' ' ' // '1205/' ' suspend an innovative technology arrangement authorisation or an authority to/'\\
4269 '4269' ' ' // '1206/' ' innovative technology services authorisation in accordance with the revoke , cancel or/'
\\
4270 '4270' ' ' // '1207/' ' suspend innovative/'\\
4271 '4271' ' ' // '1208/' ' provisions of this act or any other special law which the authority is technology/'\\
4272 '4272' ' ' // '1209/' ' entitled to administer or enforce . arrangement/'\\
4273 '4273' ' ' // '1210/' ' authorisations and/'\\
4274 '4274' ' ' // '1211/' ' innovative/'\\
4275 '4275' ' ' // '1212/' ' (2) the authority may revoke , cancel or suspend an technology/'\\
4276 '4276' ' ' // '1213/' ' innovative technology services authorisation – services/'\\
4277 '4277' ' ' // '1214/' ' authorisations./''\\

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4278 '4278' ' ' '1215/' ' (a) if it considers that the holder thereof is not a fit/' '\
4279 '4279' ' '1216/' ' and proper person to provide the innovative technology service/' '\
4280 '4280' ' '1217/' ' he is authorised to provide; or/' '\
4281 '4281' ' '1218/' ' (b) if it considers that the holder thereof does not/' '\
4282 '4282' ' Back'\
4283 '4283' '126 of 218
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4284 '4284' ' '
4285 '4285' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
4286 '4286' ' MaltaParl\2018\MDIA\Act [100603:100939] '\
4287 '4287' ' at the request of the innovative technology/' '\
4288 '4288' ' '1299/' ' authorisation holder; or/' '\
4289 '4289' ' '1300/' ' (g) in any of the circumstances under which the/' '\
4290 '4290' ' '1301/' ' authority would have been precluded from issuing the/' '\
4291 '4291' ' '1302/' ' innovative technology authorisation under this act or any/' '\
4292 '4292' ' '1303/' ' other special law whic'
4293 '4293' ' Back'\
4294 '4294' ' MaltaParl\2018\MDIA\Act [120132:120623] '\
4295 '4295' ' 'innovative technology authorisation holder who, in carrying out the/' '\
4296 '4296' ' '1543/' 'authorised services, may review or receive information as described/' '\
4297 '4297' ' '1544/' 'in the proviso to sub-article (1). such innovative technology/' '\
4298 '4298' ' '1545/' 'authorisation holder shall not be required to provide information to/' '\
4299 '4299' ' '1546/' 'the authority if such information was obtained under confidence or/' '\
4300 '4300' ' '1547/' 'under non-disclosure obligations whilst carrying out his functions for/' '\
4301 '4301' ' '1548/' 'the benefit of any applicant./' '\
4302 '4302' ' Back'\
4303 '4303' ' MaltaParl\2018\MDIA\Act [182213:182909] '\
4304 '4304' ' (k) lay down rules on qualifying shareholders./' '\
4305 '4305' ' '2344/' ' members or token holders with reference to the application of/' '\
4306 '4306' ' '2345/' ' the provisions of this act or any other special law which the/' '\
4307 '4307' ' '2346/' ' authority is entitled to administer or enforce and in case of/' '\
4308 '4308' ' '2347/' ' other relevant laws, after consultation with the relevant/' '\
4309 '4309' ' '2348/' ' minister who may be entrusted with the administration or the/' '\
4310 '4310' ' '2349/' ' supervision of such law or, if a regulatory law, the/' '\
4311 '4311' ' '2350/' ' administration of which is entrusted to a national regulatory/' '\
4312 '4312' ' '2351/' ' authority with such authority;/' '\
4313 '4313' ' Back'\
4314 '4314' ' MaltaParl\2018\VFA\Act [ 2153: 2993] '\
4315 '4315' ' //control of assets// ' means the holding or control of assets/' '\
4316 '4316' '127 of 218
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4317 '4317' ' '
4318 '4318' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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4319 '4319' ' '34/' ' belonging to, or on behalf of a client, by a subject person acting/' '\
4320 '4320' ' '35/' ' in the course of rendering a vfa service under the act, and/' '\
4321 '4321' ' '36/' ' includes custody of assets:/' '\
4322 '4322' ' '37/' ' provided that, for the purposes of these regulations./' '\
4323 '4323' ' '38/' ' the terms //hold//, //control//, // 'place//, //safeguard// and //deposit//' '\
        '\
4324 '4324' ' '39/' ' shall be deemed to encompass custody services provided in/' '\
4325 '4325' ' '40/' ' relation to virtual financial assets, and shall extend to any/' '\
4326 '4326' ' '41/' ' ' '\
4327 '4327' ' '42/' ' 'b 3364/' '\
4328 '4328' ' '43/' ' physical or digital representation of such assets or to a right to/' '\
4329 '4329' ' '44/' ' transact such assets or any physical or electronic device, keys./' '\
4330 '4330' ' '45/' ' codes or any other information which gives the custodian control/' '\
4331 '4331' ' Back'\
4332 '4332' ' MaltaParl\2018\VFA\Act [ 3527: 3739] '\
4333 '4333' ' //custodian// ' means a licence holder in possession of a/' '\
4334 '4334' ' '55/' ' category 4a or 4b investment services licence, as the context/' '\
4335 '4335' ' '56/' ' cap. 370. requires, issued in terms of the investment services act;/' '\
4336 '4336' ' Back'\
4337 '4337' ' MaltaParl\2018\VFA\Act [ 18183: 18210] '\
4338 '4338' ' (i) licence holders; or/' '\
4339 '4339' ' Back'\
4340 '4340' ' MaltaParl\2018\VFA\Act [ 19266: 19567] '\
4341 '4341' ' provided that the exemption described in this/' '\
4342 '4342' ' '280/' ' regulation shall not apply where the advertisement is issued./' '\
4343 '4343' ' '281/' ' broadcast or transmitted by:/' '\
4344 '4344' ' '282/' ' (i) a licence holder; or/' '\
4345 '4345' ' '283/' ' (ii) a licence holder in exercise of a european right/' '\
4346 '4346' ' Back'\
4347 '4347' ' MaltaParl\2018\VFA\Act [ 20678: 21543] '\
4348 '4348' ' (a) licence holders shall, upon the submission of the/' '\
4349 '4349' ' '301/' ' annual audited financial statements, pay an annual supervisory/' '\

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4351 '4351' ''

4352 '4352' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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4353 '4353' ' /'302/' ' fee as established in the third column of the schedule:/' '\\

4354 '4354' ' /'303/' ' provided that the first annual supervisory fee shall be/' '\\

4355 '4355' ' /'304/' ' due immediately once a licence is granted and, where applicable,/' '\\

4356 '4356' ' /'305/' ' shall be equal to a proportion of the minimum fee. the first/' '\\

4357 '4357' ' /'306/' ' annual supervisory fee payable shall be proportionate to the/' '\\

4358 '4358' ' /'307/' ' period remaining between the date of the granting of the licence/' '\\

4359 '4359' ' /'308/' ' and the established date for the submission of the annual audited/' '\\

4360 '4360' ' /'309/' ' financial statements;/' '\\

4361 '4361' ' Back'\\

4362 '4362' ' MaltaParl\\_2018\\_VFA\\_Act [ 22380: 22909] '\\

4363 '4363' ' vfaa class 1 licence holders authorised to receive and transmit/' '\\

4364 '4364' ' /'321/' ' orders and/ or provide investment advice in relation/' '\\

4365 '4365' ' /'322/' ' to one or more virtual financial assets and/ or the/' '\\

4366 '4366' ' /'323/' ' placing of virtual financial assets. class 1 licence/' '\\

4367 '4367' ' /'324/' ' holders are not authorised to hold or control clients /' '\\

4368 '4368' ' /'325/' ' assets or money./' '\\

4369 '4369' ' Back'\\

4370 '4370' ' MaltaParl\\_2018\\_VFA\\_Act [ 21998: 22358] '\\

4371 '4371' ' /'licence 8. (1) a person applying for a licence in terms of article 13/' '\\

4372 '4372' ' /'316/' ' classification./' '\\

4373 '4373' ' /'317/' ' of the act shall be classified at the discretion of the competent/' '\\

4374 '4374' ' /'318/' ' authority into one of the four categories which determine the/' '\\

4375 '4375' ' /'319/' ' requirements of licence holders as follows:/' '\\

4376 '4376' ' Back'\\

4377 '4377' ' 12 Codings of /'issuance/' from 4 files. '\\

4378 '4378' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 82910: 83915] '\\

4379 '4379' ' discriminatory treatment of holders of crypto-assets, the information in the crypto-/' '\\

4380 '4380' ' /'919/' ' asset white paper, and where applicable in any marketing communications related to/' '\\

4381 '4381' ' /'920/' ' the public offer, shall be fair, clear and not misleading./' '\\

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4383 '4383' ''

4384 '4384' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\_Masters/Study/Mast... '\\

4385 '4385' ' /'921/' ' (15) in order to ensure a proportionate approach, the requirements to draw up and publish  
a/' '\\

4386 '4386' ' /'922/' ' crypto-asset white paper should not apply to offers of crypto-assets, other than asset-/'  
\\

4387 '4387' ' /'923/' ' referenced tokens or e-money tokens, that are offered for free, or offers of crypto-/' '\\

4388 '4388' ' /'924/' ' assets that are exclusively offered to qualified investors as defined in article 2, point  
/' '\\

4389 '4389' ' /'925/' ' (e), of regulation (eu) 2017/1129 of the european parliament and of the council37/' '\\

4390 '4390' ' /'926/' ' and can be exclusively held by such qualified investors, or that, per member state, are/'  
\\

4391 '4391' ' /'927/' ' made to a small number of persons, or that are unique and not fungible with other/' '\\

4392 '4392' ' /'928/' ' crypto-assets./' '\\

4393 '4393' ' Back'\\

4394 '4394' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [150545:156477] '\\

4395 '4395' ' article 3/' '\\

4396 '4396' ' /'1650/' ' definitions/' '\\

4397 '4397' ' /'1651/' ' 1. for the purposes of this regulation, the following definitions apply:/' '\\

4398 '4398' ' /'1652/' ' (1) distributed ledger technology or dlt means a type of technology that/' '\\

4399 '4399' ' /'1653/' ' support the distributed recording of encrypted data;/' '\\

4400 '4400' ' /'1654/' ' (2) crypto-asset means a digital representation of value or rights which may be/' '\\

4401 '4401' ' /'1655/' ' transferred and stored electronically, using distributed ledger technology or/' '\\

4402 '4402' ' /'1656/' ' similar technology;/' '\\

4403 '4403' ' /'1657/' ' (3) asset-referenced token means a type of crypto-asset that purports to maintain/' '\\

4404 '4404' ' /'1658/' ' a stable value by referring to the value of several fiat currencies that are legal/' '\\

4405 '4405' ' /'1659/' ' tender, one or several commodities or one or several crypto-assets, or a/' '\\

4406 '4406' ' /'1660/' ' combination of such assets;/' '\\

4407 '4407' ' /'1661/' ' (4) electronic money token or e-money token means a type of crypto-asset the/' '\\

4408 '4408' ' /'1662/' ' main purpose of which is to be used as a means of exchange and that purports/' '\\

4409 '4409' ' /'1663/' ' to maintain a stable value by referring to the value of a fiat currency that is/' '\\

4410 '4410' ' /'1664/' ' legal tender;/' '\\

4411 '4411' ' /'1665/' ' (5) utility token means a type of crypto-asset which is intended to provide digital/'  
\\

4412 '4412' ' /'1666/' ' access to a good or service, available on dlt, and is only accepted by the/' '\\

4413 '4413' ' /'1667/' ' issuer of that token;/' '\\

4414 '4414' ' /'1668/' ' (6) issuer of crypto-assets means a legal person who offers to the public any type/'  
\\

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4416 '4416' ''
4417 '4417' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
4418 '4418' ' /'1669/' /' of crypto-assets or seeks the admission of such crypto-assets to a trading/' '\\
4419 '4419' ' /'1670/' /' platform for crypto-assets;/' '\\
4420 '4420' ' /'1671/' /' (7) offer to the public means an offer to third parties to acquire a crypto-asset in/'
      '\\
4421 '4421' ' /'1672/' /' exchange for fiat currency or other crypto-assets;/' '\\
4422 '4422' ' /'1673/' /' (8) crypto-asset service provider means any person whose occupation or business/' '\\
4423 '4423' ' /'1674/' /' is the provision of one or more crypto-asset services to third parties on a/' '\\
4424 '4424' ' /'1675/' /' professional basis;/' '\\
4425 '4425' ' /'1676/' /' (9) crypto-asset service means any of the services and activities listed below/' '\\
4426 '4426' ' /'1677/' /' relating to any crypto-asset;/' '\\
4427 '4427' ' /'1678/' /' (a) the custody and administration of crypto-assets on behalf of third parties;/' '\\
4428 '4428' ' /'1679/' /' (b) the operation of a trading platform for crypto-assets;/' '\\
4429 '4429' ' /'1680/' /' (c) the exchange of crypto-assets for fiat currency that is legal tender;/' '\\
4430 '4430' ' /'1681/' /' (d) the exchange of crypto-assets for other crypto-assets;/' '\\
4431 '4431' ' /'1682/' /' (e) the execution of orders for crypto-assets on behalf of third parties;/' '\\
4432 '4432' ' /'1683/' /' (f) placing of crypto-assets;/' '\\
4433 '4433' ' /'1684/' /' (g) the reception and transmission of orders for crypto-assets on behalf of/' '\\
4434 '4434' ' /'1685/' /' third parties/' '\\
4435 '4435' ' /'1686/' /' (h) providing advice on crypto-assets;/' '\\
4436 '4436' ' /'1687/' /' en 34 en/' '\\
4437 '4437' ' /'1688/' /' /' '\\
4438 '4438' ' /'1689/' /' (10) the custody and administration of crypto-assets on behalf of third parties /' '\\
4439 '4439' ' /'1690/' /' means safekeeping or controlling, on behalf of third parties, crypto-assets or/' '\\
4440 '4440' ' /'1691/' /' the means of access to such crypto-assets, where applicable in the form of/' '\\
4441 '4441' ' /'1692/' /' private cryptographic keys;/' '\\
4442 '4442' ' /'1693/' /' (11) the operation of a trading platform for crypto-assets means managing one or/' '\\
4443 '4443' ' /'1694/' /' more trading platforms for crypto-assets, within which multiple third-party/' '\\
4444 '4444' ' /'1695/' /' buying and selling interests for crypto-assets can interact in a manner that/' '\\
4445 '4445' ' /'1696/' /' results in a contract, either by exchanging one crypto-asset for another or a/' '\\
4446 '4446' ' /'1697/' /' crypto-asset for fiat currency that is legal tender;/' '\\
4447 '4447' ' /'1698/' /' (12) the exchange of crypto-assets for fiat currency means concluding purchase or/' '\\
4448 '4448' '131 of 218
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4449 '4449' ''
4450 '4450' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
4451 '4451' ' /'1699/' /' sale contracts concerning crypto-assets with third parties against fiat currency/' '\\
4452 '4452' ' /'1700/' /' that is legal tender by using proprietary capital;/' '\\
4453 '4453' ' /'1701/' /' (13) the exchange of crypto-assets for other crypto-assets means concluding/' '\\
4454 '4454' ' /'1702/' /' purchase or sale contracts concerning crypto-assets with third parties against/' '\\
4455 '4455' ' /'1703/' /' other crypto-assets by using proprietary capital;/' '\\
4456 '4456' ' /'1704/' /' (14) the execution of orders for crypto-assets on behalf of third parties means/' '\\
4457 '4457' ' /'1705/' /' concluding agreements to buy or to sell one or more crypto-assets or to/' '\\
4458 '4458' ' /'1706/' /' subscribe for one or more crypto-assets on behalf of third parties;/' '\\
4459 '4459' ' /'1707/' /' (15) placing of crypto-assets means the marketing of newly-issued crypto-assets/' '\\
4460 '4460' ' /'1708/' /' or of crypto-assets that are already issued but that are not admitted to trading/' '\\
4461 '4461' ' /'1709/' /' on a trading platform for crypto-assets, to specified purchasers and which does/' '\\
4462 '4462' ' /'1710/' /' not involve an offer to the public or an offer to existing holders of the issuer s/' '\\
4463 '4463' ' /'1711/' /' crypto-assets;/' '\\
4464 '4464' ' /'1712/' /' (16) the reception and transmission of orders for crypto-assets on behalf of third/' '\\
4465 '4465' ' /'1713/' /' parties means the reception from a person of an order to buy or to sell one or/' '\\
4466 '4466' ' /'1714/' /' more crypto-assets or to subscribe for one or more crypto-assets and the/' '\\
4467 '4467' ' /'1715/' /' transmission of that order to a third party for execution;/' '\\
4468 '4468' ' /'1716/' /' (17) providing advice on crypto-assets means offering, giving or agreeing to give/' '\\
4469 '4469' ' /'1717/' /' personalised or specific recommendations to a third party, either at the third/' '\\
4470 '4470' ' /'1718/' /' party s request or on the initiative of the crypto-asset service provider/' '\\
4471 '4471' ' /'1719/' /' providing the advice, concerning the acquisition or the sale of one or more/' '\\
4472 '4472' ' /'1720/' /' crypto-assets, or the use of crypto-asset services;/' '\\
4473 '4473' ' Back'\\
4474 '4474' ' EUComm\Proposal\MiCA\2020\_0265 [175356:176296] '\\
4475 '4475' ' article 7/' '\\
4476 '4476' ' /'1939/' /' notification of the crypto-asset white paper, and, where applicable, of the marketing/'
      '\\
4477 '4477' ' /'1940/' /' communications/' '\\
4478 '4478' ' /'1941/' /' 1. competent authorities shall not require an ex ante approval of a crypto-asset white/'
      '\\
4479 '4479' ' /'1942/' /' paper, nor of any marketing communications relating to it before their publication./' '\\
4480 '4480' ' /'1943/' /' 2. issuers of crypto-assets, other than asset-referenced tokens or e-money tokens, shall
      /' '\\
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4482 '4482' ''  
4483 '4483' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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4484 '4484' ' /'1944/' /' notify their crypto-asset white paper, and, in case of marketing communications as/' '\\  
4485 '4485' ' /'1945/' /' referred to in article 6, such marketing communications, to the competent authority/' '\\  
4486 '4486' ' /'1946/' /' of their home member state at least 20 working days before publication of the/' '\\  
4487 '4487' ' /'1947/' /' crypto-asset white paper. that competent authority may exercise the powers laid/' '\\  
4488 '4488' ' /'1948/' /' down in article 82(1)./' '\\  
4489 '4489' ' Back' '\\  
4490 '4490' ' EUComm\_Proposal\_MiCA\_2020\_0265 [566698:567450] '\\  
4491 '4491' ' /'6464/' /' to the promotion of blockchain technology throughout europe. this proposal supports a/' '\\  
\\  
4492 '4492' ' /'6465/' /' holistic approach to blockchain and dlt, which aims at positioning europe at the  
forefront of/' '\\  
4493 '4493' ' /'6466/' /' blockchain innovation and uptake. policy work in this area has included the creation of  
the/' '\\  
4494 '4494' ' /'6467/' /' european blockchain observatory and forum, and the european blockchain partnership./' '\\  
4495 '4495' ' /'6468/' /' which unites all member states at political level, as well as the public-private  
partnerships/' '\\  
4496 '4496' ' /'6469/' /' envisaged with the international association for trusted blockchain applications./' '\\  
4497 '4497' ' /'6470/' /' it is also consistent with the union policies aimed at creating a capital markets union '  
4498 '4498' ' Back' '\\  
4499 '4499' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 25968: 27357] '\\  
4500 '4500' ' 9. the issuer infringes article 28(1) by not taking all appropriate steps to prevent./' '\\  
4501 '4501' ' /'329/' /' identify, manage and disclose conflicts of interest arising from management and/' '\\  
4502 '4502' ' /'330/' /' investment of the reserve assets./' '\\  
4503 '4503' ' /'331/' /' 20. the issuer infringes article 28, paragraphs (2) to (4), by not disclosing to the  
holders/' '\\  
4504 '4504' ' /'332/' /' of significant asset-referenced tokens the general nature and sources of conflicts of/' '\\  
\\  
4505 '4505' ' /'333/' /' interest and the steps taken to mitigate those risks, or by not making this disclosure/' '\\  
\\  
4506 '4506' ' /'334/' /' on a durable medium, or by not being sufficiently precise in the disclosure to enable/' '\\  
\\  
4507 '4507' ' /'335/' /' the holders of significant asset-referenced tokens to take an informed purchasing/' '\\  
4508 '4508' ' /'336/' /' decision about such tokens./' '\\  
4509 '4509' ' /'337/' /' 21. the issuer infringes article 29, by not notifying to the eba of any changes to their/  
' '\\  
4510 '4510' ' /'338/' /' management body./' '\\  
4511 '4511' ' /'339/' /' 22. the issuer infringes article 30(1) by not having robust governance arrangements./' '\\  
4512 '4512' ' /'340/' /' which include a clear organisational structure with well-defined, transparent and/' '\\  
4513 '4513' ' /'341/' /' consistent lines of responsibility, effective processes to identify, manage, monitor/' '\\  
4514 '4514' ' 133 of 218  
6/09/2021  
, 1:01 am' '\\  
4515 '4515' ''  
4516 '4516' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\_Masters/Study/Mast... '\\  
4517 '4517' ' /'342/' /' and report the risks to which it is or might be exposed, and adequate internal control/' '\\  
\\  
4518 '4518' ' /'343/' /' processes, including sound administrative and accounting procedures./' '\\  
4519 '4519' ' Back' '\\  
4520 '4520' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 39757: 40008] '\\  
4521 '4521' ' the issuer infringes article 36 by providing for interests or any other benefits related/' '\\  
4522 '4522' ' /'486/' /' to the length of time during which a holder of significant asset-referenced tokens/' '\\  
4523 '4523' ' /'487/' /' holds such significant asset-referenced tokens./' '\\  
4524 '4524' ' Back' '\\  
4525 '4525' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 24331: 24659] '\\  
4526 '4526' ' 16. the issuer infringes article 27(3), by not developing and/or making available to the/' '\\  
4527 '4527' ' /'310/' /' holders of significant asset-referenced tokens a template for filing complaints and/or/' '\\  
\\  
4528 '4528' ' /'311/' /' by not keeping a record of all complaints received and any measures taken in/' '\\  
4529 '4529' ' /'312/' /' response to those complaints./' '\\  
4530 '4530' ' Back' '\\  
4531 '4531' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 33909: 34287] '\\  
4532 '4532' ' . the issuer infringes article 33(3) by not reviewing the appointment of credit/' '\\  
4533 '4533' ' /'421/' /' institutions or crypto-asset service providers as custodians of the reserve assets on a/' '\\  
\\  
4534 '4534' ' /'422/' /' regular basis, and/or, by not evaluating its exposures to such custodians, and/or by/' '\\  
4535 '4535' ' /'423/' /' not monitoring the financial conditions of such custodians on an ongoing basis./' '\\  
4536 '4536' ' Back' '\\  
4537 '4537' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 42023: 42332] '\\  
4538 '4538' ' 65. the issuer infringes article 42(2) by not having a plan that includes contractual/' '\\  
4539 '4539' ' /'512/' /' arrangements, procedures or systems ensuring that the proceeds from the sale of the/' '\\  
4540 '4540' ' /'513/' /' remaining reserve assets are paid to the holders of the significant asset-referenced/' '\\  
4541 '4541' ' /'514/' /' tokens./' '\\  
4542 '4542' ' Back' '\\

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4543 '4543' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 45013: 45390] '\\
4544 '4544' ' the issuer infringes article 33(3) by not reviewing the appointment of credit/''\\
4545 '4545' ' /'546/' /' institutions or crypto-asset service providers as custodians of the reserve assets on a/'
      '\\
4546 '4546' ' /'547/' /' regular basis, and/or, by not evaluating its exposures to such custodians, and/or/''\\
4547 '4547' ' /'548/' /' monitoring the financial conditions of such custodians on an ongoing basis./''\\
4548 '4548' ' Back\\
4549 '4549' '134 of 218
      6/09/2021, 1:01 am\\
4550 '4550' ' '
4551 '4551' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\_Masters/Study/Mast... '\\
4552 '4552' ' MaltaParl\_2018\_ITAS\_Act [ 16418: 16647] '\\
4553 '4553' ' (4) the authority may designate, and make public, any/''\\
4554 '4554' ' /'223/' /' international or other standards of certification it may rely on when/''\\
4555 '4555' ' /'224/' /' issuing its own certification under this act./''\\
4556 '4556' ' Back\\
4557 '4557' ' MaltaParl\_2018\_MDIA\_Act [ 73051: 74810] '\\
4558 '4558' ' him, or the provisions of any other law which has mandatory/''\\
4559 '4559' ' /'946/' /' application to the applicant or his activities in the specific/''\\
4560 '4560' ' /'947/' /' context, as well as any conditions established by the authority/''\\
4561 '4561' ' /'948/' /' in the particular case; or/''\\
4562 '4562' ' /'949/' /' (b) it may grant an innovative technology/''\\
4563 '4563' ' /'950/' /' arrangements authorisation when it is satisfied that the/''\\
4564 '4564' ' /'951/' /' innovative technology arrangement is fit and proper and will/''\\
4565 '4565' ' /'952/' /' comply with and observe any innovative technology/''\\
4566 '4566' ' /'953/' /' authorisation rules and regulations made under this act or any/''\\
4567 '4567' ' /'954/' /' other special law which the authority is entitled to administer/''\\
4568 '4568' ' /'955/' /' or enforce and applicable to it, as well as any conditions/''\\
4569 '4569' ' /'956/' /' established by the authority in the particular case./''\\
4570 '4570' ' /'957/' /' and reference hereafter to the term //innovative technology/''\\
4571 '4571' ' /'958/' /' authorisation// shall encompass all types of recognition and/''\\
4572 '4572' ' /'959/' /' authorisations, whether for services or for arrangements, and/''\\
4573 '4573' ' /'960/' /' reference hereafter to the term //innovative technology authorisation/''\\
4574 '4574' ' /'961/' /' rules// shall encompass all sets of rules and each shall be interpreted/''\\
4575 '4575' ' /'962/' /' as the context shall require./''\\
4576 '4576' ' /'963/' /' such recognition and authorisations may be issued on the/''\\
4577 '4577' ' /'964/' /' voluntary application of innovative technology service providers or/''\\
4578 '4578' ' /'965/' /' the technical administrators or other persons involved in any/''\\
4579 '4579' ' /'966/' /' innovative technology arrangements./''\\
4580 '4580' ' Back\\
4581 '4581' '135 of 218
      6/09/2021, 1:01 am\\
4582 '4582' ' '
4583 '4583' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\_Masters/Study/Mast... '\\
4584 '4584' ' 16 Codings of /'licen/' from 4 files. '\\
4585 '4585' ' EUParl\_Directive\_AMLDV\_2018\_843 [129743:129764] '\\
4586 '4586' ' icensed or registered'
4587 '4587' ' Back\\
4588 '4588' ' MaltaParl\_2018\_ITAS\_Act [ 16418: 16647] '\\
4589 '4589' ' (4) the authority may designate, and make public, any/''\\
4590 '4590' ' /'223/' /' international or other standards of certification it may rely on when/''\\
4591 '4591' ' /'224/' /' issuing its own certification under this act./''\\
4592 '4592' ' Back\\
4593 '4593' ' MaltaParl\_2018\_ITAS\_Act [ 16802: 17127] '\\
4594 '4594' ' to enhance the qualitative/''\\
4595 '4595' ' /'227/' /' standards of its reviews but such amendments shall not, except with/''\\
4596 '4596' ' /'228/' /' the consent of any applicant with a pending application or the holder/''\\
4597 '4597' ' /'229/' /' of the certification, come into force prior to the lapse of at least six/''\\
4598 '4598' ' Back\\
4599 '4599' ' MaltaParl\_2018\_ITAS\_Act [ 25694: 26136] '\\
4600 '4600' ' the innovative technology arrangement has a/''\\
4601 '4601' ' /'342/' /' registered technical administrator in office at all times, and/''\\
4602 '4602' ' /'343/' /' who is able to demonstrate to the authority the ability of the/''\\
4603 '4603' ' /'344/' /' innovative technology arrangement to satisfy -/''\\
4604 '4604' ' /'345/' /' (i) all pre-requisites for the certification which/''\\
4605 '4605' ' /'346/' /' may be granted to it under this act;/''\\
4606 '4606' ' Back\\
4607 '4607' ' MaltaParl\_2018\_MDIA\_Act [ 35337: 36107] '\\
4608 '4608' ' in relation to any innovative technology/''\\
4609 '4609' ' /'473/' /' arrangement which it recognises under this act or any special/''\\
4610 '4610' ' /'474/' /' law it is entitled to administer or enforce, and in a manner/''\\
4611 '4611' ' /'475/' /' satisfactory to the authority and without in any way implying/''\\
4612 '4612' ' /'476/' /' liability on the authority's part, to receive and access/''\\
4613 '4613' ' /'477/' /' information on the innovative technology arrangement and its/''\\
4614 '4614' '136 of 218

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6/09/2021, 1:01 am'\\
4615 '4615' ''
4616 '4616' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\Masters/Study/Mast...'\\
4617 '4617' ' /'478/' /' activities strictly in pursuance of its regulatory mandate and to /' '\\
4618 '4618' ' /'479/' /' enforce compliance when the arrangement has adopted, /' '\\
4619 '4619' ' /'480/' /' subscribed or undertaken to apply regulatory rules or /' '\\
4620 '4620' ' /'481/' /' guidelines or licence conditions, including mandatory legal /' '\\
4621 '4621' ' /'482/' /' obligations, in its operations: /' '\\
4622 '4622' ' Back'\\
4623 '4623' ' MaltaParl\_2018\_MDIA\_Act [ 93011: 94510] '\\
4624 '4624' ' regulatory powers /' '\\
4625 '4625' ' /'1203/' /' 34. (1) the authority may at any time revoke, cancel or power of /' '\\
4626 '4626' ' /'1204/' /' competent /' '\\
4627 '4627' ' /'1205/' /' suspend an innovative technology arrangement authorisation or an authority to /' '\\
4628 '4628' ' /'1206/' /' innovative technology services authorisation in accordance with the revoke, cancel or /' '\\
\\
4629 '4629' ' /'1207/' /' suspend innovative /' '\\
4630 '4630' ' /'1208/' /' provisions of this act or any other special law which the authority is technology /' '\\
4631 '4631' ' /'1209/' /' entitled to administer or enforce. arrangement /' '\\
4632 '4632' ' /'1210/' /' authorisations and /' '\\
4633 '4633' ' /'1211/' /' innovative /' '\\
4634 '4634' ' /'1212/' /' (2) the authority may revoke, cancel or suspend an technology /' '\\
4635 '4635' ' /'1213/' /' innovative technology services authorisation – services /' '\\
4636 '4636' ' /'1214/' /' authorisations. /' '\\
4637 '4637' ' /'1215/' /' (a) if it considers that the holder thereof is not a fit /' '\\
4638 '4638' ' /'1216/' /' and proper person to provide the innovative technology service /' '\\
4639 '4639' ' /'1217/' /' he is authorised to provide; or /' '\\
4640 '4640' ' /'1218/' /' (b) if it considers that the holder thereof does not /' '\\
4641 '4641' ' Back'\\
4642 '4642' ' MaltaParl\_2018\_MDIA\_Act [111446:112112] '\\
4643 '4643' ' rpose of this act. /' '\\
4644 '4644' ' /'1433/' /' notification of 36. (1) where the authority proposes to refuse an /' '\\
4645 '4645' ' /'1434/' /' proposed refusal. /' '\\
4646 '4646' ' /'1435/' /' revocation, application for an innovative technology authorisation or to cancel or /' '\\
4647 '4647' '137 of 218
6/09/2021, 1:01 am'\\
4648 '4648' ''
4649 '4649' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\Masters/Study/Mast...'\\
4650 '4650' ' /'1436/' /' cancellation or suspend an innovative technology authorisation, it shall give the /' '\\
4651 '4651' ' /'1437/' /' suspension of an /' '\\
4652 '4652' ' /'1438/' /' innovative applicant or, as the case may be, the innovative technology /' '\\
4653 '4653' ' /'1439/' /' technology authorisation holder, notice in writing of its intention to do so, setting /' '\\
\\
4654 '4654' ' /'1440/' /' authorisation. /' '\\
4655 '4655' ' /'1441/' /' out the reasons for the decision it proposes to take. /' '\\
4656 '4656' ' Back'\\
4657 '4657' ' MaltaParl\_2018\_VFA\_Act [ 5818: 6030] '\\
4658 '4658' ' // 'subject person' // means a person who is in possession of a /' '\\
4659 '4659' ' /'87/' /' licence under the act or is acting under an exemption from the /' '\\
4660 '4660' ' /'88/' /' requirement of such a licence in terms of these regulations; /' '\\
4661 '4661' ' Back'\\
4662 '4662' ' MaltaParl\_2018\_VFA\_Act [ 18183: 18210] '\\
4663 '4663' ' (i) licence holders; or /' '\\
4664 '4664' ' Back'\\
4665 '4665' ' MaltaParl\_2018\_VFA\_Act [ 18388: 18650] '\\
4666 '4666' ' (iii) a person who is acting under an exemption from /' '\\
4667 '4667' ' /'268/' /' the requirement of a licence under these regulations /' '\\
4668 '4668' ' /'269/' /' provided that the advertisement relates to matters in respect /' '\\
4669 '4669' ' /'270/' /' of which such person is exempt; /' '\\
4670 '4670' ' Back'\\
4671 '4671' ' MaltaParl\_2018\_VFA\_Act [ 19266: 19567] '\\
4672 '4672' ' provided that the exemption described in this /' '\\
4673 '4673' ' /'280/' /' regulation shall not apply where the advertisement is issued. /' '\\
4674 '4674' ' /'281/' /' broadcast or transmitted by: /' '\\
4675 '4675' ' /'282/' /' (i) a licence holder; or /' '\\
4676 '4676' ' /'283/' /' (ii) a licence holder in exercise of a european right /' '\\
4677 '4677' ' Back'\\
4678 '4678' ' MaltaParl\_2018\_VFA\_Act [ 19916: 20467] '\\
4679 '4679' ' 6. any person shall, upon submission of a whitepaper for /' '\\
4680 '4680' ' /'291/' /' whitepaper /' '\\
4681 '4681' '138 of 218
6/09/2021,
1:01 am'\\
4682 '4682' ''
4683 '4683' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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UoM\_Masters/Study/Mast... '\\

'4684' ' /'292/' /'review or registration or upon submission of an application for the granting of a/'\\

'4685' ' /'293/' /'application fee. registration , a licence or any other kind of authorisation , irrespective /'

'4686' ' /'294/' /' of whether the whitepaper is registered or whether the application is/'\\

'4687' ' /'295/' /' eventually accepted or not, pay to the competent authority the/'\\

'4688' ' /'296/' /' respective fee as established in the second column of the schedule./''\\

'4689' ' Back '\\

'4690' ' MaltaParl\2018\VFA\_Act [ 20678: 21543] '\\

'4691' ' (a) licence holders shall , upon the submission of the/'\\

'4692' ' /'301/' /' annual audited financial statements , pay an annual supervisory/'\\

'4693' ' /'302/' /' fee as established in the third column of the schedule:/''\\

'4694' ' /'303/' /' provided that the first annual supervisory fee shall be/'\\

'4695' ' /'304/' /' due immediately once a licence is granted and , where applicable ./''\\

'4696' ' /'305/' /' shall be equal to a proportion of the minimum fee . the first/'\\

'4697' ' /'306/' /' annual supervisory fee payable shall be proportionate to the/'\\

'4698' ' /'307/' /' period remaining between the date of the granting of the licence/'\\

'4699' ' /'308/' /' and the established date for the submission of the annual audited/'\\

'4700' ' /'309/' /' financial statements;/''\\

'4701' ' Back '\\

'4702' ' MaltaParl\2018\VFA\_Act [ 21576: 24032] '\\

'4703' ' (b) vfa agents shall , upon the anniversary of the date of/'\\

'4704' ' /'311/' /' the granting of registration , pay the annual supervisory fee/'\\

'4705' ' /'312/' /' established in the third column of the schedule:/''\\

'4706' ' /'313/' /' provided that the first annual supervisory fee shall be/'\\

'4707' ' /'314/' /' due immediately once an authorisation is granted./''\\

'4708' ' /'315/' /'licence 8. (1) a person applying for a licence in terms of article 13/'\\

'4709' ' /'316/' /'classification./''\\

'4710' ' /'317/' /' of the act shall be classified at the discretion of the competent/'\\

'4711' ' /'318/' /' authority into one of the four categories which determine the/'\\

'4712' ' /'319/' /' requirements of licence holders as follows:/''\\

'4713' ' /'320/' /' vfaa class 1 licence holders authorised to receive and transmit/'\\

'4714' ' '139 of 218

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'4715' ' '

'4716' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\_Masters/Study/Mast... '\\

'4717' ' /'321/' /' orders and/ or provide investment advice in relation/'\\

'4718' ' /'322/' /' to one or more virtual financial assets and/ or the/'\\

'4719' ' /'323/' /' placing of virtual financial assets. class 1 licence/'\\

'4720' ' /'324/' /' holders are not authorised to hold or control clients /''\\

'4721' ' /'325/' /' assets or money./''\\

'4722' ' /'326/' /'/'\\

'4723' ' /'327/' /' b 3371/'\\

'4724' ' /'328/' /' vfaa class 2 licence holders authorised to provide any vfa/'\\

'4725' ' /'329/' /' service but not to operate a vfa exchange or deal/'\\

'4726' ' /'330/' /' for their own account. class 2 licence holders may/'\\

'4727' ' /'331/' /' hold or control clients assets or money in/'\\

'4728' ' /'332/' /' conjunction with the provision of a vfa service./''\\

'4729' ' /'333/' /' vfaa class 3 licence holders authorised to provide any vfa/'\\

'4730' ' /'334/' /' service but not to operate a vfa exchange. class 3/'\\

'4731' ' /'335/' /' licence holders may hold or control clients assets/'\\

'4732' ' /'336/' /' or money in conjunction with the provision of a/'\\

'4733' ' /'337/' /' vfa service./''\\

'4734' ' /'338/' /' vfaa class 4 licence holders authorised to provide any vfa/'\\

'4735' ' /'339/' /' service. class 4 licence holders may hold or/'\\

'4736' ' /'340/' /' control clients assets or money in conjunction with/'\\

'4737' ' /'341/' /' the provision of a vfa service./''\\

'4738' ' Back '\\

'4739' ' MaltaParl\2018\VFA\_Act [ 35824: 36393] '\\

'4740' ' (8) where it is not reasonably possible for the subject person to/'\\

'4741' ' /'494/' /' carry out any of the duties specified in this regulation due to the nature/'\\

'4742' ' /'495/' /' of the assets and of the arrangements whereby control is exercised , the/'\\

'4743' ' /'496/' /' said duties may be varied with the written consent of the client and in/'\\

'4744' ' /'497/' /' accordance with the terms and conditions of the agreement entered/'\\

'4745' ' /'498/' /' into with the client , the conditions of any licence and such other/'\\

'4746' ' /'499/' /' requirements as may be laid down by the competent authority./''\\

'4747' ' '140 of 218

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'4748' ' '

'4749' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\_Masters/Study/Mast... '\\

'4750' ' Back '\\

'4751' ' MaltaParl\2018\VFA\_Act [ 57316: 64253] '\\

'4752' ' /'775/' /' schedule/'\\

'4753' ' /'776/' /' (regulations 6 and 7)/''\\

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4754 '4754' ' /'777/' /' fees/' '\
4755 '4755' ' /'778/' /' first column second column third column/' '\
4756 '4756' ' /'779/' /' application/ supervisory/' '\
4757 '4757' ' /'780/' /' notification fee fee/' '\
4758 '4758' ' /'781/' /' /' '\
4759 '4759' ' /'782/' /' (a) whitepaper 8,000 2,000 upon the submission/' '\
4760 '4760' ' /'783/' /' registration of the certificate of/' '\
4761 '4761' ' /'784/' /' compliance/' '\
4762 '4762' ' /'785/' /' (b) vfa agent/' '\
4763 '4763' ' /'786/' /' appointed in terms 12,000 12,000/' '\
4764 '4764' ' /'787/' /' of article 7 of the/' '\
4765 '4765' ' /'788/' /' act/' '\
4766 '4766' ' /'789/' /' appointed in terms 10,000 10,000/' '\
4767 '4767' ' /'790/' /' of article 14 of the/' '\
4768 '4768' ' /'791/' /' act/' '\
4769 '4769' ' /'792/' /' appointed in terms 15,000 15,000/' '\
4770 '4770' ' /'793/' /' of both articles 7/' '\
4771 '4771' ' /'794/' /' and 14 of the act/' '\
4772 '4772' ' /'795/' /' /' '\
4773 '4773' ' /'796/' /' b 3364/' '\
4774 '4774' ' /'797/' /' b 3382/' '\
4775 '4775' ' /'798/' /' (c) licences/' '\
4776 '4776' ' /'799/' /' vfaa class 1 6,000 for revenue/' '\
4777 '4777' ' /'800/' /' up to 5,500/' '\
4778 '4778' ' /'801/' /' 50,000/' '\
4779 '4779' '141 of 218
/09/2021, 1:01 am'\
4780 '4780' ''
4781 '4781' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\Masters/Study
/Mast... '\
4782 '4782' ' /'802/' /' further/' '\
4783 '4783' ' /'803/' /' 700 per/' '\
4784 '4784' ' /'804/' /' tranches of/' '\
4785 '4785' ' /'805/' /' tranche or/' '\
4786 '4786' ' /'806/' /' 50,000 up to/' '\
4787 '4787' ' /'807/' /' part thereof/' '\
4788 '4788' ' /'808/' /' a maximum of/' '\
4789 '4789' ' /'809/' /' 1,000,000/' '\
4790 '4790' ' /'810/' /' vfaa class 2 10,000 for revenue/' '\
4791 '4791' ' /'811/' /' up to 9,000/' '\
4792 '4792' ' /'812/' /' 250,000/' '\
4793 '4793' ' /'813/' /' further/' '\
4794 '4794' ' /'814/' /' 800 per/' '\
4795 '4795' ' /'815/' /' tranches of/' '\
4796 '4796' ' /'816/' /' tranche or/' '\
4797 '4797' ' /'817/' /' 250,000 up to/' '\
4798 '4798' ' /'818/' /' part thereof/' '\
4799 '4799' ' /'819/' /' a maximum of/' '\
4800 '4800' ' /'820/' /' 5,000,000/' '\
4801 '4801' ' /'821/' /' vfaa class 3 14,000 for revenue/' '\
4802 '4802' ' /'822/' /' up to 12,000/' '\
4803 '4803' ' /'823/' /' 250,000/' '\
4804 '4804' ' /'824/' /' further/' '\
4805 '4805' ' /'825/' /' 800 per/' '\
4806 '4806' ' /'826/' /' tranches of/' '\
4807 '4807' ' /'827/' /' tranche or/' '\
4808 '4808' ' /'828/' /' 250,000 up to/' '\
4809 '4809' ' /'829/' /' part thereof/' '\
4810 '4810' ' /'830/' /' a maximum of/' '\
4811 '4811' ' /'831/' /' 50,000,000/' '\
4812 '4812' '142 of 218
01 am'\
4813 '4813' ''
4814 '4814' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\Masters/Study/Mast... '\
4815 '4815' ' /'832/' /' vfaa class 4 24,000 for revenue/' '\
4816 '4816' ' /'833/' /' up to/' '\
4817 '4817' ' /'834/' /' 50,000/' '\
4818 '4818' ' /'835/' /' 1,000,000/' '\
4819 '4819' ' /'836/' /' further/' '\
4820 '4820' ' /'837/' /' tranches of/' '\
4821 '4821' ' /'838/' /' 1,000,000 up 5,000 per/' '\
4822 '4822' ' /'839/' /' to a maximum tranche or/' '\
4823 '4823' ' /'840/' /' of part thereof/' '\
4824 '4824' ' /'841/' /' 100,000,000/' '\
4825 '4825' ' /'842/' /' '\
4826 '4826' ' Back'\

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6/09/2021, 1:



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'4827' ' ' 12 Codings of /'monitor/' from 5 files.'\\
'4828' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 11521: 12139] '\\
'4829' ' the proposal builds on extensive and long-standing market monitoring and participation in/'\\
'4830' ' /'140/' /' international policy work, for example, in such fora as the financial stability board,
the/'\\
'4831' ' /'141/' /' financial action task force and the g7./'\\
'4832' ' /'142/' /' as part of the fintech action plan adopted in march 201815, the commission mandated the/'
'4833' ' /'143/' /' european supervisory authorities (esas) to produce advice on the applicability and/'\\
'4834' ' /'144/' /' suitability of the existing eu financial services regulatory framework on crypto-assets.
this/'\\
'4835' ' /'145/' /' proposal builds on the advice received from the eba and esma.16/'\\
'4836' ' Back'\\
'4837' ' EUComm\_Proposal\_MiCA\_2020\_0265 [516865:516988] '\\
'4838' ' iii) to submit to an on-site inspection ordered by a decision taken pursuant to/'\\
'4839' ' /'5916/' /' article 106./'\\
'4840' ' Back'\\
'4841' ' EUComm\_Proposal\_MiCA\_2020\_0265 [539869:540051] '\\
'4842' ' (u) the number and amount of administrative fines and criminal penalties imposed/'\\
'4843' ' /'6183/' /' for infringements of this regulation by competent authorities and the eba./'\\
'4844' '143 of 218
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'4845' ' '
'4846' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast... '\\
'4847' ' Back'\\
'4848' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 45011: 45390] '\\
'4849' ' the issuer infringes article 33(3) by not reviewing the appointment of credit/'\\
'4850' ' /'546/' /' institutions or crypto-asset service providers as custodians of the reserve assets on a/'
'4851' ' /'547/' /' regular basis, and/or, by not evaluating its exposures to such custodians, and/or/'\\
'4852' ' /'548/' /' monitoring the financial conditions of such custodians on an ongoing basis./'\\
'4853' ' Back'\\
'4854' ' EUParl\_Directive\_AMLDV\_2018\_843 [ 18178: 19844] '\\
'4855' ' (16) fuis play an important role in identifying the financial operations of terrorist networks,
especially '
'4856' ' cross-border/'\\
'4857' ' /'158/' /' and in detecting their financial backers. financial intelligence might be of fundamental
importance '
'4858' ' in uncovering/'\\
'4859' ' /'159/' /' the facilitation of terrorist offences and the networks and schemes of terrorist
organisations. due to '
'4860' ' a lack of/'\\
'4861' ' /'160/' /' prescriptive international standards, fuis maintain significant differences as regards
their '
'4862' ' functions, competences/'\\
'4863' ' /'161/' /' and powers. member states should endeavour to ensure a more efficient and coordinated
approach '
'4864' ' to deal with/'\\
'4865' ' /'162/' /' financial investigations related to terrorism, including those related to the misuse of
virtual '
'4866' ' currencies. the current/'\\
'4867' ' /'163/' /' differences should however not affect an fuis activity, particularly its capacity to
develop '
'4868' ' preventive analyses in/'\\
'4869' ' /'164/' /' support of all the authorities in charge of intelligence, investigative and judicial
activities, and '
'4870' ' international/'\\
'4871' ' /'165/' /' cooperation. in the exercise of their tasks, fuis should have access to information and
be able to '
'4872' ' exchange it/'\\
'4873' ' /'166/' /' without impediments, including through appropriate cooperation with law enforcement '
'4874' ' authorities. in all cases of/'\\
'4875' ' /'167/' /' suspected criminality and, in particular, in cases involving the financing of terrorism,
information '
'4876' ' should flow/'\\
'4877' ' /'168/' /' directly and quickly without undue delays. it is therefore essential to further enhance
the '
'4878' ' effectiveness and/'\\
'4879' ' /'169/' /' efficiency of fuis, by clarifying the powers of and cooperation between fuis./'\\
'4880' ' Back'\\
'4881' ' MaltaParl\_2018\_MDIA\_Act [ 27097: 27281] '\\
'4882' ' (a) regulate, monitor and supervise the provision of/'\\
'4883' '144 of 218
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'4884' ' '

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4885 '4885' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
4886 '4886' ' /'359/' /' such innovative technology arrangements and innovative/' '\\
4887 '4887' ' /'360/' /' technology services in or from malta;' '\\
4888 '4888' ' Back' '\\
4889 '4889' ' MaltaParl\2018\MDIA\Act [ 28928: 29288] '\\
4890 '4890' ' monitor the working and enforcement of laws/' '\\
4891 '4891' ' /'384/' /' that directly or indirectly affect the use and operation of/' '\\
4892 '4892' ' /'385/' /' innovative technology arrangements and innovative/' '\\
4893 '4893' ' /'386/' /' technology services and undertake or commission such study,/' '\\
4894 '4894' ' /'387/' /' research or investigation which it may deem necessary in this/' '\\
4895 '4895' ' /'388/' /' regard;' '\\
4896 '4896' ' Back' '\\
4897 '4897' ' MaltaParl\2018\MDIA\Act [ 66424: 68270] '\\
4898 '4898' ' money laundering. 24. (1) an authorisation holder or persons acting on his/' '\\
4899 '4899' ' /'863/' /' behalf or under an arrangement with him shall fulfil any prevention/' '\\
4900 '4900' ' /'864/' /' of money laundering and the combating of funding of terrorism/' '\\
4901 '4901' ' /'865/' /' obligations as may be imposed on them by means of regulations/' '\\
4902 '4902' ' /'866/' /' cap. 373. made under article 12 of the prevention of money laundering act. /' '\\
4903 '4903' ' /'867/' /' (2) where the authority discovers facts or obtains/' '\\
4904 '4904' ' /'868/' /' information that is related to transactions which are known or/' '\\
4905 '4905' ' /'869/' /' suspected to be related to proceeds of criminal activity or the funding/' '\\
4906 '4906' ' /'870/' /' of terrorism, or to a person who may have been, is or may be/' '\\
4907 '4907' ' /'871/' /' connected with money laundering or the funding of terrorism, the/' '\\
4908 '4908' ' /'872/' /' authority shall disclose those facts or that information, supported by/' '\\
4909 '4909' ' /'873/' /' the relevant documentation that may be available, to the financial/' '\\
4910 '4910' ' /'874/' /' intelligence analysis unit in a timely manner. /' '\\
4911 '4911' ' /'875/' /' (3) where through its monitoring, or through any other/' '\\
4912 '4912' ' /'876/' /' means, the authority notices that there are areas of innovative/' '\\
4913 '4913' ' /'877/' /' technology arrangements and innovative technology services which/' '\\
4914 '4914' ' /'878/' /' are vulnerable to money laundering or the funding of terrorism, the/' '\\
4915 '4915' ' /'879/' /' authority shall inform the national coordinating committee on/' '\\
4916 '4916' ' 145 of 218
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4917 '4917' ' '
4918 '4918' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
4919 '4919' ' /'880/' /' combating money laundering and the funding of terrorism/' '\\
4920 '4920' ' /'881/' /' established under article 12a of the prevention of money laundering/' '\\
4921 '4921' ' /'882/' /' cap. 373. /' '\\
4922 '4922' ' Back' '\\
4923 '4923' ' MaltaParl\2018\MDIA\Act [ 84487: 85326] '\\
4924 '4924' ' (1) the authority may, in furtherance of the further powers of/' '\\
4925 '4925' ' /'1093/' /' regulatory objectives under this act or any other special law which the authority. /' '\\
4926 '4926' ' /'1094/' /' the authority is entitled to administer or enforce and in applying a/' '\\
4927 '4927' ' /'1095/' /' risk-based approach in line with the governing principles: /' '\\
4928 '4928' ' /'1096/' /' (a) establish, where appropriate or necessary, by/' '\\
4929 '4929' ' /'1097/' /' means of binding instruments, more extensive, reduced or/' '\\
4930 '4930' ' /'1098/' /' amended requirements for an applicant to qualify for/' '\\
4931 '4931' ' /'1099/' /' recognition or an authorisation in certain pre-defined/' '\\
4932 '4932' ' /'1100/' /' circumstances; and, or/' '\\
4933 '4933' ' /'1101/' /' (b) impose on an applicant, where appropriate or/' '\\
4934 '4934' ' /'1102/' /' necessary, specific additional requirements by means of a/' '\\
4935 '4935' ' /'1103/' /' binding instrument. /' '\\
4936 '4936' ' Back' '\\
4937 '4937' ' MaltaParl\2018\MDIA\Act [ 97096: 98390] '\\
4938 '4938' ' (g) in any of the circumstances under which the/' '\\
4939 '4939' ' /'1251/' /' authority would have been precluded from issuing the/' '\\
4940 '4940' ' /'1252/' /' innovative technology services authorisation under this act or/' '\\
4941 '4941' ' /'1253/' /' any other special law which the authority is entitled to/' '\\
4942 '4942' ' /'1254/' /' administer or enforce or where under such act or any other/' '\\
4943 '4943' ' /'1255/' /' special law which the authority is entitled to administer or/' '\\
4944 '4944' ' /'1256/' /' enforce it would have been entitled to refuse the grant of such/' '\\
4945 '4945' ' /'1257/' /' innovative technology authorisation; or/' '\\
4946 '4946' ' /'1258/' /' (h) after proper communication and investigation, at/' '\\
4947 '4947' ' /'1259/' /' the written request of another national competent authority, as/' '\\
4948 '4948' ' /'1260/' /' well as the financial intelligence analysis unit acting under/' '\\
4949 '4949' ' 146 of 218
      6/09/2021, 1:01 am' '\\
4950 '4950' ' '
4951 '4951' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\\
4952 '4952' ' /'1261/' /' cap. 373. /' '\\
4953 '4953' ' /'1262/' /' the prevention of money laundering act, which is carrying/' '\\
4954 '4954' ' /'1263/' /' out regulatory functions in relation to the relevant innovative/' '\\
4955 '4955' ' /'1264/' /' technology services authorisation holder simultaneously with/' '\\
4956 '4956' ' /'1265/' /' the authority. /' '\\

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4957 '4957' ' ' Back'\
4958 '4958' ' ' MaltaParl\_2018\_MDIA\_Act [101284:101988]'\
4959 '4959' ' ' malta digital innovation authority/'\
4960 '4960' ' ' /'1310/' ' (h) after proper communication and investigation , at/'\
4961 '4961' ' ' /'1311/' ' the written request of another national competent authority as/'\
4962 '4962' ' ' /'1312/' ' well as the financial intelligence analysis unit acting under/'\
4963 '4963' ' ' /'1313/' ' cap. 373./'\
4964 '4964' ' ' /'1314/' ' the prevention of money laundering act which is carrying out/'\
4965 '4965' ' ' /'1315/' ' regulatory functions in relation to the relevant innovative/'\
4966 '4966' ' ' /'1316/' ' technology services authorisation holder simultaneously with/'\
4967 '4967' ' ' /'1317/' ' the authority./'\
4968 '4968' ' ' Back'\
4969 '4969' ' ' MaltaParl\_2018\_VFA\_Act [ 47565: 49601]'\
4970 '4970' ' ' 20. (1) the subject person shall make information pertaining/'\
4971 '4971' ' ' /'650/' ' information./'\
4972 '4972' ' ' /'651/' ' to clients assets readily available to the following entities:/'\
4973 '4973' ' ' /'652/' ' (a) the competent authority;/'\
4974 '4974' ' ' /'653/' ' (b) an auditor appointed in terms of article 50 of the act;/'\
4975 '4975' ' ' /'654/' ' and/'\
4976 '4976' ' ' /'655/' ' (c) appointed insolvency practitioners./'\
4977 '4977' ' ' /'656/' ' (2) the information to be made available in terms of sub-/'\
4978 '4978' ' ' /'657/' ' regulation (1) shall include the following:/'\
4979 '4979' ' ' /'658/' ' (a) related internal accounts and records that readily/'\
4980 '4980' ' ' /'659/' ' identify the balances of assets held for each client;/'\
4981 '4981' ' ' /'660/' ' (b) where client money is held by the subject person in/'\
4982 '4982' ' '147 of 218
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4983 '4983' ' '
4984 '4984' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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4985 '4985' ' ' /'661/' ' accordance with regulation 16, as well as details of the accounts/'\
4986 '4986' ' ' /'662/' ' where client money is held and the relevant agreements with/'\
4987 '4987' ' ' /'663/' ' those entities;/'\
4988 '4988' ' ' /'664/' ' (c) where virtual financial assets are held by the subject/'\
4989 '4989' ' ' /'665/' ' person in accordance with regulation 15, as well as details of/'\
4990 '4990' ' ' /'666/' ' /'\
4991 '4991' ' ' /'667/' ' b 3379/'\
4992 '4992' ' ' /'668/' ' accounts opened with third parties and the relevant agreements/'\
4993 '4993' ' ' /'669/' ' with those entities;/'\
4994 '4994' ' ' /'670/' ' (d) details of third parties carrying out any related/'\
4995 '4995' ' ' /'671/' ' outsourced tasks and details of any outsourced tasks;/'\
4996 '4996' ' ' /'672/' ' (e) key individuals of the subject person involved in/'\
4997 '4997' ' ' /'673/' ' related processes, including those responsible for oversight of/'\
4998 '4998' ' ' /'674/' ' the subject person's requirements in relation to the safeguarding/'\
4999 '4999' ' ' /'675/' ' of client assets; and/'\
5000 '5000' ' ' /'676/' ' (f) agreements relevant to establish client ownership/'\
5001 '5001' ' ' /'677/' ' over assets./'\
5002 '5002' ' ' Back'\
5003 '5003' ' ' 31 Codings of /'oblige/' from 5 files.'\
5004 '5004' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [112066:113998]'\
5005 '5005' ' ' (47) the crypto-asset white paper produced by an issuer of e-money tokens should contain/'\
5006 '5006' ' ' /'1228/' ' all the relevant information concerning that issuer and the offer of e-money tokens or/'\
5007 '5007' ' ' /'1229/' ' their admission to trading on a trading platform for crypto-assets that is necessary to/'\
5008 '5008' ' ' /'1230/' ' enable potential buyers to make an informed purchase decision and understand the/'\
5009 '5009' ' ' /'1231/' ' risks relating to the offer of e-money tokens. the crypto-asset white paper should also/'\
5010 '5010' ' ' /'1232/' ' explicitly indicate that holders of e-money tokens are provided with a claim in the/'\
5011 '5011' ' ' /'1233/' ' form of a right to redeem their e-money tokens against fiat currency at par value and at/'\
5012 '5012' ' ' /'1234/' ' any moment./'\
5013 '5013' ' '148 of 218
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5014 '5014' ' '
5015 '5015' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5016 '5016' ' ' /'1235/' ' (48) where an issuer of e-money tokens invests the funds received in exchange for e-'
5017 '5017' ' ' /'1236/' ' money tokens, such funds should be invested in assets denominated in the same/'\
5018 '5018' ' ' /'1237/' ' currency as the one that the e-money token is referencing to avoid cross-currency/'\
5019 '5019' ' ' /'1238/' ' risks./'\
5020 '5020' ' ' /'1239/' ' (49) significant e-money tokens can pose greater risks to financial stability than non-'
5021 '5021' ' ' /'1240/' ' significant e-money tokens and traditional electronic money. issuers of such/'\
5022 '5022' ' ' /'1241/' ' significant e-money tokens should therefore be subject to additional requirements./'\

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5023 '5023' ' ' /'1242/' ' ' issuers of e-money tokens should in particular be subject to higher capital/' '\
5024 '5024' ' ' /'1243/' ' ' requirements than other e-money token issuers , to interoperability requirements and/' '\
5025 '5025' ' ' /'1244/' ' ' they should establish a liquidity management policy. issuers of e-money tokens should/' '\
    '\
5026 '5026' ' ' /'1245/' ' ' also comply with certain requirements applying to issuers of asset-referenced tokens ,/' '\
    '\
5027 '5027' ' ' /'1246/' ' ' such as custody requirements for the reserve assets , investment rules for the reserve/' '\
    '\
5028 '5028' ' ' /'1247/' ' ' assets and the obligation to establish an orderly wind-down plan./' '\
5029 '5029' ' ' Back'\
5030 '5030' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [117121:118174]' '\
5031 '5031' ' ' (55) in order to ensure consumer protection , market integrity and financial stability , crypto-/' '\
5032 '5032' ' ' /'1282/' ' ' asset service providers should always act honestly , fairly and professionally in the
    best/' '\
5033 '5033' ' ' /'1283/' ' ' interest of their clients. crypto-asset services should be considered financial
    services /' '\
5034 '5034' ' ' /'1284/' ' ' as defined in directive 2002/65/ec of the european parliament and of the council 42./' '\
    '\
5035 '5035' ' ' /'1285/' ' ' where marketed at distance , the contracts between crypto-asset service providers and/' '\
    '\
5036 '5036' ' ' /'1286/' ' ' consumers should be subject to that directive. crypto-asset service providers should/' '\
    '\
5037 '5037' ' ' /'1287/' ' ' provide their clients with clear , fair and not misleading information and warn them/' '\
5038 '5038' ' ' /'1288/' ' ' about the risks associated with crypto-assets. crypto-asset service providers should/' '\
    '\
5039 '5039' ' ' /'1289/' ' ' make their pricing policies public , should establish a complaint handling procedure/' '\
5040 '5040' ' ' /'1290/' ' ' and should have a robust policy to identify , prevent , manage and disclose conflicts of/' '\
    '\
5041 '5041' ' ' /'1291/' ' ' interest./' '\
5042 '5042' ' ' Back'\
5043 '5043' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [147723:148388]' '\
5044 '5044' ' ' where providing one or more crypto-asset services , credit institutions authorised/' '\
5045 '5045' ' ' /'1618/' ' ' under directive 2013/36/eu shall not be subject to the provisions of chapter i of/' '\
5046 '5046' '149 of 218
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5047 '5047' ' '
5048 '5048' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5049 '5049' ' ' /'1619/' ' ' title v, except articles 57 and 58./' '\
5050 '5050' ' ' /'1620/' ' ' 6. investment firms authorised under directive 2014/65/eu shall not be subject to the/' '\
    '\
5051 '5051' ' ' /'1621/' ' ' provisions of chapter i of title v, except articles 57, 58, 60 and 61, where they only/' '\
    '\
5052 '5052' ' ' /'1622/' ' ' provide one or several crypto-asset services equivalent to the investment services and/' '\
    '\
5053 '5053' ' ' /'1623/' ' ' activities for which they are authorised under directive 2014/65/eu. for that/' '\
5054 '5054' ' ' /'1624/' ' ' purpose:/' '\
5055 '5055' ' ' Back'\
5056 '5056' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [122237:124961]' '\
5057 '5057' ' ' (60) to ensure an orderly functioning of crypto-asset markets , crypto-asset service/' '\
5058 '5058' ' ' /'1337/' ' ' providers operating a trading platform for crypto-assets should have detailed operating/
    '\
5059 '5059' ' ' /'1338/' ' ' rules , should ensure that their systems and procedures are sufficiently resilient and/' '\
    '\
5060 '5060' ' ' /'1339/' ' ' should be subject to pre-trade and post-trade transparency requirements adapted to the/' '\
    '\
5061 '5061' ' ' /'1340/' ' ' crypto-asset market. crypto-asset service providers should ensure that the trades/' '\
5062 '5062' ' ' /'1341/' ' ' executed on their trading platform for crypto-assets are settled and recorded on the/' '\
    '\
5063 '5063' ' ' /'1342/' ' ' dlt swiftly. crypto-asset service providers operating a trading platform for crypto-/' '\
    '\
5064 '5064' ' ' /'1343/' ' ' assets should also have a transparent fee structure for the services provided to avoid/' '\
    '\
5065 '5065' ' ' /'1344/' ' ' the placing of orders that could contribute to market abuse or disorderly trading/' '\
5066 '5066' ' ' /'1345/' ' ' conditions./' '\
5067 '5067' ' ' /'1346/' ' ' (61) to ensure consumer protection , crypto-asset service providers that exchange crypto
    -/' '\
5068 '5068' ' ' /'1347/' ' ' assets against fiat currencies or other crypto-assets by using their own capital should/
    '\
5069 '5069' ' ' /'1348/' ' ' establish a non-discriminatory commercial policy. they should publish either firm/' '\
5070 '5070' ' ' /'1349/' ' ' quotes or the method they are using for determining the price of crypto-assets they/' '\
5071 '5071' ' ' /'1350/' ' ' wish to buy or sell. they should also be subject to post-trade transparency/' '\
5072 '5072' ' ' /'1351/' ' ' requirements. crypto-asset service providers that execute orders for crypto-assets on/' '\
    '\
5073 '5073' ' ' /'1352/' ' ' behalf of third parties should establish an execution policy and should always aim at/' '\
    '\

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5074 '5074' ' ' /'1353/' /' obtaining the best result possible for their clients. they should take all necessary steps/' '\

5075 '5075' ' ' /'1354/' /' to avoid the misuse of information related to clients orders by their employees./' '\

5076 '5076' ' ' /'1355/' /' crypto-assets service providers that receive orders and transmit those orders to other/' '\

5077 '5077' ' ' /'1356/' /' crypto-asset service providers should implement procedures for the prompt and proper/' '\

5078 '5078' ' ' /'1357/' /' sending of those orders. crypto-assets service providers should not receive any/' '\

5079 '5079' '150 of 218  
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5080 '5080' ' ' file:///C:/Users/benwa/Documents/Studium/  
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5081 '5081' 'Codings created by RQDA.

5082 '5082' ' ' /'1358/' /' monetary or non-monetary benefits for transmitting those orders to any particular/' '\

5083 '5083' ' ' /'1359/' /' trading platform for crypto-assets or any other crypto-asset service providers./' '\

5084 '5084' ' ' /'1360/' /' (62) crypto-asset service providers that place crypto-assets for potential users should/' '\

5085 '5085' ' ' /'1361/' /' communicate to those persons information on how they intend to perform their service/' '\

5086 '5086' ' ' /'1362/' /' before the conclusion of a contract. they should also put in place specific measures to/' '\

5087 '5087' ' ' /'1363/' /' prevent conflicts of interest arising from that activity./' '\

5088 '5088' ' ' Back'\

5089 '5089' ' ' EUComm\Proposal\MiCA\2020\0265 [363143:363905]'\

5090 '5090' ' ' . crypto-asset service providers that are authorised for the custody and administration/' '\

5091 '5091' ' ' /'4131/' /' of crypto-assets on behalf of third parties shall segregate holdings on behalf of their/' '\

5092 '5092' ' ' /'4132/' /' clients from their own holdings. they shall ensure that, on the dlt, their clients /' '\

5093 '5093' ' ' /'4133/' /' crypto-assets are held on separate addresses from those on which their own crypto-/' '\

5094 '5094' ' ' /'4134/' /' assets are held./' '\

5095 '5095' ' ' /'4135/' /' 8. crypto-asset service providers that are authorised for the custody and administration /' '\

5096 '5096' ' ' /'4136/' /' of crypto-assets on behalf of third parties shall be liable to their clients for loss of /' '\

5097 '5097' ' ' /'4137/' /' crypto-assets as a resulting from a malfunction or hacks up to the market value of the/' '\

5098 '5098' ' ' /'4138/' /' crypto-assets lost./' '\

5099 '5099' ' ' Back'\

5100 '5100' ' ' EUParl\Directive\AMLDV\2018\843 [ 11621: 14332]'\

5101 '5101' ' ' (12) business relationships or transactions involving high-risk third countries should be limited when'

5102 '5102' ' ' significant weak/' '\

5103 '5103' ' ' /'104/' /' nesses in the aml/cft regime of the third-countries concerned are identified , unless adequate'

5104 '5104' ' ' additional mitigating/' '\

5105 '5105' ' ' /'105/' /' measures or countermeasures are applied. when dealing with such cases of high-risk and with'

5106 '5106' ' ' such business/' '\

5107 '5107' ' ' /'106/' /' relationships or transactions , member states should require obliged entities to apply enhanced'

5108 '5108' ' ' customer due/' '\

5109 '5109' ' ' /'107/' /' diligence measures to manage and mitigate those risks. each member state therefore determines at'

5110 '5110' ' ' national/' '\

5111 '5111' ' ' /'108/' /' level the type of enhanced due diligence measures to be taken with regard to high-risk third'

5112 '5112' ' ' countries. those/' '\

5113 '5113' ' ' /'109/' /' different approaches between member states create weak spots on the management of business'

5114 '5114' ' ' relationships/' '\

5115 '5115' '151 of 218  
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5116 '5116' ' ' file:///C:/Users/benwa/Documents/Studium/  
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5117 '5117' 'Codings created by RQDA.

5118 '5118' ' ' /'110/' /' involving high-risk third countries as identified by the commission. it is important to improve the'

5119 '5119' ' ' effectiveness/' '\

5120 '5120' ' ' /'111/' /' of the list of high-risk third countries established by the commission by providing for a ,

5121 '5121' ' ' harmonised treatment of/' '\

5122 '5122' ' ' /'112/' /' those countries at union level. that harmonised approach should primarily focus on enhanced'

5123 '5123' ' ' customer due/' '\

5124 '5124' ' ' /'113/' /' diligence measures , where such measures are not already required under national law. in'

5125 '5125' ' ' accordance with inter/' '\

5126 '5126' ' ' /'114/' /' national obligations , member states should be allowed to require obliged entities , where'

5127 '5127' ' applicable, to apply/' '\\  
 5128 '5128' ' /' '115/' ' ' additional mitigating measures complementary to the enhanced customer due diligence  
 measures, '  
 5129 '5129' ' in accordance/' '\\  
 5130 '5130' ' /' '116/' ' ' with a risk based approach and taking into account the specific circumstances of business  
 , '  
 5131 '5131' ' relationships or trans/' '\\  
 5132 '5132' ' /' '117/' ' ' actions. international organisations and standard setters with competence in the field of  
 preventing '  
 5133 '5133' ' money/' '\\  
 5134 '5134' ' /' '118/' ' ' laundering and combating terrorist financing may call for the application of appropriate '  
 5135 '5135' ' countermeasures to/' '\\  
 5136 '5136' ' /' '119/' ' ' protect the international financial system from the ongoing and substantial risks  
 relating to money '  
 5137 '5137' ' laundering/' '\\  
 5138 '5138' ' /' '120/' ' ' and terrorist financing emanating from certain countries. in addition, member states  
 should '  
 5139 '5139' ' require obliged entities/' '\\  
 5140 '5140' ' /' '121/' ' ' to apply additional mitigating measures regarding high-risk third countries identified by  
 the '  
 5141 '5141' ' commission by taking/' '\\  
 5142 '5142' ' /' '122/' ' ' into account calls for countermeasures and recommendations, such as those expressed by  
 the fatf, '  
 5143 '5143' ' and respon/' '\\  
 5144 '5144' ' /' '123/' ' ' sibilities resulting from international agreements./' '\\  
 5145 '5145' ' Back'\\  
 5146 '5146' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [129895:131312]' '\\  
 5147 '5147' ' (a) the following paragraph is inserted:' '\\  
 5148 '5148' ' /' '1159/' ' ' 1a. in order to facilitate and promote effective cooperation, and in particular the  
 exchange of '  
 5149 '5149' ' information,/' '\\  
 5150 '5150' ' /' '1160/' ' ' member states shall communicate to the commission the list of competent authorities of  
 the '  
 5151 '5151' ' obliged entities/' '\\  
 5152 '5152' ' /' '1161/' ' ' listed in article 2(1), including their contact details. member states shall ensure that  
 the '  
 5153 '5153' ' information provided to/' '\\  
 5154 '5154' ' /' '1162/' ' ' the commission remains updated./' '\\  
 5155 '5155' ' 152 of 218  
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 5156 '5156' ' '  
 5157 '5157' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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 5158 '5158' ' /' '1163/' ' ' the commission shall publish a register of those authorities and their contact details  
 on its '  
 5159 '5159' ' website. the/' '\\  
 5160 '5160' ' /' '1164/' ' ' authorities in the register shall, within the scope of their powers, serve as a contact  
 point for the '  
 5161 '5161' ' counterpart/' '\\  
 5162 '5162' ' /' '1165/' ' ' competent authorities of the other member states. financial supervisory authorities of  
 the member '  
 5163 '5163' ' states shall/' '\\  
 5164 '5164' ' /' '1166/' ' ' also serve as a contact point for the esas./' '\\  
 5165 '5165' ' /' '1167/' ' ' in order to ensure the adequate enforcement of this directive, member states shall  
 require that all '  
 5166 '5166' ' obliged/' '\\  
 5167 '5167' ' /' '1168/' ' ' entities are subject to adequate supervision, including the powers to conduct on-site  
 and off-site '  
 5168 '5168' ' supervision, and/' '\\  
 5169 '5169' ' /' '1169/' ' ' shall take appropriate and proportionate administrative measures to remedy the situation  
 in the '  
 5170 '5170' ' case of/' '\\  
 5171 '5171' ' /' '1170/' ' ' breaches. ;/' '\\  
 5172 '5172' ' Back'\\  
 5173 '5173' ' MaltaParl\\_2018\\_ITAS\\_Act [ 21296: 22031]' '\\  
 5174 '5174' ' (ii) if there are shareholders in any legal/' '\\  
 5175 '5175' ' /' '282/' ' ' organisation which owns or controls the innovative/' '\\  
 5176 '5176' ' /' '283/' ' ' technology arrangement, any shareholder holding/' '\\  
 5177 '5177' ' /' '284/' ' ' more than twenty-five per cent (25%) of the shares or/' '\\  
 5178 '5178' ' /' '285/' ' ' ownership interests in the said legal organisation or/' '\\  
 5179 '5179' ' /' '286/' ' ' who, through provisions of the statute, has special/' '\\  
 5180 '5180' ' /' '287/' ' ' voting or other rights permitting him to exercise/' '\\  
 5181 '5181' ' /' '288/' ' ' effective control over the activities of the legal/' '\\  
 5182 '5182' ' /' '289/' ' ' organisation, (hereinafter referred to as a // 'qualifying/' '\\  
 5183 '5183' ' /' '290/' ' ' shareholder//') shall be a fit and proper person,/' '\\  
 5184 '5184' ' Back'\

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5185 '5185' ' MaltaParl\2018\ITAS\\_Act [ 24509: 24925] '\\  
5186 '5186' ' the authority may at its discretion./''\\  
5187 '5187' ' /'326/' ' cumulatively or alternatively, require a high level review or/'\\  
5188 '5188' ' /'327/' ' audit on the characteristics of the innovative technology/'\\  
5189 '5189' ' /'328/' ' arrangement when, in the opinion of the authority, the specific/'\\  
5190 '5190' ' /'329/' ' purposes, behaviours or aspects of the relevant innovative/'\\  
5191 '5191' ' 153 of 218

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1:01 am '\\  
5192 '5192' ' '  
5193 '5193' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5194 '5194' ' /'330/' ' technology arrangement:/'\\  
5195 '5195' ' Back '\\  
5196 '5196' ' MaltaParl\2018\ITAS\\_Act [ 27954: 28313] '\\  
5197 '5197' ' (ii) carry out any obligations imposed upon it/'\\  
5198 '5198' ' /'376/' ' by applicable law, including those relating to the/'\\  
5199 '5199' ' /'377/' ' prevention of money laundering and the financing of/'\\  
5200 '5200' ' /'378/' ' terrorism, the protection of personal data, the respect/'\\  
5201 '5201' ' /'379/' ' of the rights of consumers and other mandatory laws;/'\\  
5202 '5202' ' /'380/' ' and/'\\  
5203 '5203' ' Back '\\  
5204 '5204' ' MaltaParl\2018\ITAS\\_Act [ 28334: 29175] '\\  
5205 '5205' ' (iii) has in-built technology features, to enable/'\\  
5206 '5206' ' /'382/' ' the technical administrator to intervene in a/'\\  
5207 '5207' ' /'383/' ' transparent and effective manner in the event of -/'\\  
5208 '5208' ' /'384/' ' (a) a material cause of loss to any user;/'\\  
5209 '5209' ' /'385/' ' or/'\\  
5210 '5210' ' /'386/' ' (b) a material breach of law,/'\\  
5211 '5211' ' /'387/' ' so as to ensure that the cause of loss or breach of law/'\\  
5212 '5212' ' /'388/' ' is satisfactorily addressed to the best of his abilities/'\\  
5213 '5213' ' /'389/' ' and to ensure it does not occur or re-occur, and in/'\\  
5214 '5214' ' /'390/' ' case of unjustifiable failure by the technical/'\\  
5215 '5215' ' /'391/' ' administrator, on the intervention of the authority;/'\\  
5216 '5216' ' /'392/' ' (e) the specific purposes, qualities, features,/'\\  
5217 '5217' ' /'393/' ' attributes, limitations, conditions, terms of service and/'\\  
5218 '5218' ' Back '\\  
5219 '5219' ' MaltaParl\2018\ITAS\\_Act [ 42398: 43029] '\\  
5220 '5220' ' act, shall respect the following principles of best practice in relation/'\\  
5221 '5221' ' /'567/' ' to his or its activities./''\\  
5222 '5222' ' /'568/' ' (2) in carrying on its operations, it shall:/'\\  
5223 '5223' ' /'569/' ' (a) conduct its business with honesty and integrity;/'\\  
5224 '5224' ' /'570/' ' (b) pay due regard to the rights, interests and needs/'\\  
5225 '5225' ' 154 of 218  
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5226 '5226' ' '  
5227 '5227' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5228 '5228' ' /'571/' ' of each and all its customers and must communicate with them/'\\  
5229 '5229' ' /'572/' ' in a way that is fair, clear and not misleading;/'\\  
5230 '5230' ' /'573/' ' (c) manage and control its business effectively, and/'\\  
5231 '5231' ' /'574/' ' conduct its business with due skill, care and diligence; and/'\\  
5232 '5232' ' Back '\\  
5233 '5233' ' MaltaParl\2018\ITAS\\_Act [ 50001: 50950] '\\  
5234 '5234' ' submitting the information assurances,/'\\  
5235 '5235' ' /'667/' ' declarations and other materials or taking such actions as are/'\\  
5236 '5236' ' /'668/' ' required by the authority for renewals of the relevant/'\\  
5237 '5237' ' /'669/' ' authorisations and in particular to demonstrate that the/'\\  
5238 '5238' ' /'670/' ' applicant is still in compliance with the act and the conditions/'\\  
5239 '5239' ' /'671/' ' of its authorisation;/'\\  
5240 '5240' ' /'672/' ' (b) in case of innovative technology arrangements,/'\\  
5241 '5241' ' /'673/' ' carrying out the audits and reviews and obtaining the/'\\  
5242 '5242' ' /'674/' ' necessary declarations from the registered auditor and the/'\\  
5243 '5243' ' /'675/' ' registered technical administrator; and/'\\  
5244 '5244' ' /'676/' ' (c) by paying to the authority the relevant fees./''\\  
5245 '5245' ' Back '\\  
5246 '5246' ' MaltaParl\2018\ITAS\\_Act [ 65250: 65494] '\\  
5247 '5247' ' 19. every holder of an innovative technology authorisation/'\\  
5248 '5248' ' /'864/' ' shall pay to the authority such fees on initial application and on/'\\  
5249 '5249' ' /'865/' ' renewal thereafter as may from time to time be prescribed./''\\  
5250 '5250' ' Back '\\  
5251 '5251' ' MaltaParl\2018\ITAS\\_Act [ 69205: 69770] '\\  
5252 '5252' ' establish the circumstances in which any persons/'\\  
5253 '5253' ' /'916/' ' involved in connection with an authorisation holder, including/'\\  
5254 '5254' ' /'917/' ' any systems auditor or technical administrator, are obliged to/'\\  
5255 '5255' ' /'918/' ' communicate information to the authority, prescribe/'\\  
5256 '5256' ' /'919/' ' regulations governing the disclosure by systems auditors or/'\\

CXX



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5327 '5327' ''
5328 '5328' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\
5329 '5329' ' /'917/' /'all forms of recognition it may be empowered to grant or issue under/' '\
5330 '5330' ' /'918/' /'any other special law which the authority is entitled to administer or/' '\
5331 '5331' ' /'919/' /'enforce./' '\
5332 '5332' ' Back'\
5333 '5333' ' MaltaPart\2018\MDIA\Act [ 31855: 33318]'\
5334 '5334' ' keep under review developments on relevant/' '\
5335 '5335' ' /'425/' /' subjects relating to innovative technology arrangements and/' '\
5336 '5336' ' /'426/' /' innovative technology services including, but not limited to,/' '\
5337 '5337' ' /'427/' /' digital assets and their issuance, cryptography in the context of/' '\
5338 '5338' ' /'428/' /' innovative technology arrangements as well as the uses/' '\
5339 '5339' ' /'429/' /' thereof, the development of standards within the industry and/' '\
5340 '5340' ' /'430/' /' all related matters, so as to ensure that activity in malta is/' '\
5341 '5341' ' /'431/' /' generally consistent with internationally recognised standards/' '\
5342 '5342' ' /'432/' /' and norms of good practice;/' '\
5343 '5343' ' /'433/' /' (r) investigate allegations of practices and activities/' '\
5344 '5344' ' /'434/' /' detrimental to consumers of innovative technology/' '\
5345 '5345' ' /'435/' /' arrangements and innovative technology services, and/' '\
5346 '5346' ' /'436/' /' generally keep under review trading practices relating to the/' '\
5347 '5347' ' /'437/' /'/' '\
5348 '5348' ' /'438/' /' malta digital innovation authority [ cap. 591. 11/' '\
5349 '5349' ' /'439/' /' provision of innovative technology services and identify, and/' '\
5350 '5350' ' /'440/' /' take measures to suppress and prevent, any practices which/' '\
5351 '5351' ' /'441/' /' may be unfair, harmful or otherwise detrimental to consumers/' '\
5352 '5352' ' /'442/' /' and users of innovative technology arrangements and/' '\
5353 '5353' ' /'443/' /' innovative technology services; and/' '\
5354 '5354' ' Back'\
5355 '5355' ' MaltaPart\2018\MDIA\Act [118378:119443]'\
5356 '5356' ' (2) any information required by the authority under sub-/' '\
5357 '5357' ' /'1522/' /' article (1) shall be proportionate to the performance of its functions/' '\
5358 '5358' ' /'1523/' /' and obligations under this act or any other special law which the/' '\
5359 '5359' '158 of 218
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5360 '5360' ''
5361 '5361' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5362 '5362' ' /'1524/' /' authority is entitled to administer or enforce and, in requiring any/' '\
5363 '5363' ' /'1525/' /' information as aforesaid, the authority shall state why it requires the/' '\
5364 '5364' ' /'1526/' /' information requested./' '\
5365 '5365' ' /'1527/' /' (3) except in cases where the recipient of a request may/' '\
5366 '5366' ' /'1528/' /' refuse to provide such information, which refusal shall be in writing/' '\
5367 '5367' ' /'1529/' /' and shall state the basis for such refusal, a person who is notified with/' '\
5368 '5368' ' /'1530/' /' a requirement under sub-article (2) shall comply promptly with the/' '\
5369 '5369' ' /'1531/' /' requirement within the time-scales and according to any level of/' '\
5370 '5370' ' /'1532/' /' detail as may be required by the authority:/' '\
5371 '5371' ' Back'\
5372 '5372' ' MaltaPart\2018\MDIA\Act [120132:120623]'\
5373 '5373' ' /'innovative technology authorisation holder who, in carrying out the/' '\
5374 '5374' ' /'1543/' /'authorised services, may review or receive information as described/' '\
5375 '5375' ' /'1544/' /'in the proviso to sub-article (1). such innovative technology/' '\
5376 '5376' ' /'1545/' /'authorisation holder shall not be required to provide information to/' '\
5377 '5377' ' /'1546/' /'the authority if such information was obtained under confidence or/' '\
5378 '5378' ' /'1547/' /'under non-disclosure obligations whilst carrying out his functions for/' '\
5379 '5379' ' /'1548/' /'the benefit of any applicant./' '\
5380 '5380' ' Back'\
5381 '5381' ' MaltaPart\2018\MDIA\Act [122572:123243]'\
5382 '5382' ' (d) require any person to maintain such books,/' '\
5383 '5383' ' /'1575/' /' documents or records for such period as may be reasonable as/' '\
5384 '5384' ' /'1576/' /' the authority directs;/' '\
5385 '5385' ' /'1577/' /' (e) require any person to give to the authority any/' '\
5386 '5386' ' /'1578/' /' information that may be required with regard to any innovative/' '\
5387 '5387' ' /'1579/' /' technology arrangement regulated by or under this act or any/' '\
5388 '5388' ' /'1580/' /' other special law the authority is entitled to administer or/' '\
5389 '5389' ' /'1581/' /' enforce;/' '\
5390 '5390' ' /'1582/' /' (f) make such inspections, including site/' '\
5391 '5391' ' /'1583/' /' inspections, to enable the authority to carry out its functions at/' '\
5392 '5392' '159 of 218
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5393 '5393' ''
5394 '5394' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5395 '5395' ' /'1584/' /'/' '\
5396 '5396' ' Back'\
5397 '5397' ' MaltaPart\2018\MDIA\Act [151591:152334]'\

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5398 '5398' ' (6) a person convicted under this article shall be liable to a/' '\
5399 '5399' ' /'1954/' /'fine (multa) of:' '\
5400 '5400' ' /'1955/' /' '\
5401 '5401' ' /'1956/' /' 44 [ cap. 591. malta digital innovation authority/' '\
5402 '5402' ' /'1957/' /' (a) not less than five thousand euro ( 5,000) and/' '\
5403 '5403' ' /'1958/' /' not more than ten thousand euro ( 10,000) if the person enjoys/' '\
5404 '5404' ' /'1959/' /' recognition by the authority; and/' '\
5405 '5405' ' /'1960/' /' (b) not less than fifty thousand euro ( 50,000) and/' '\
5406 '5406' ' /'1961/' /' not more than one hundred thousand euro ( 100,000) if the/' '\
5407 '5407' ' /'1962/' /' person does not enjoy recognition by the authority./' '\
5408 '5408' ' Back'\
5409 '5409' ' MaltaParl\_2018\_MDIA\_Act [181143:182184]' '\
5410 '5410' ' /'2330/' /' (j) lay down rules which are to apply in case of/' '\
5411 '5411' ' /'2331/' /' forking at the protocol, networking and, or application layer of/' '\
5412 '5412' ' /'2332/' /' any innovative technology arrangement, or material/' '\
5413 '5413' ' /'2333/' /' implementation thereof, any transfers of controlling or/' '\
5414 '5414' ' /'2334/' /' qualifying interests, any merger or division thereof, any/' '\
5415 '5415' ' /'2335/' /' migration to malta or from malta, any reorganisation or/' '\
5416 '5416' ' /'2336/' /' restructuring and any such events, whether the innovative/' '\
5417 '5417' ' /'2337/' /' technology arrangement is owned or controlled by a legal/' '\
5418 '5418' ' /'2338/' /' organisation or not, and determine, in the particular case, the/' '\
5419 '5419' ' /'2339/' /' manner in which the rules applicable to legal organisations./' '\
5420 '5420' ' /'2340/' /' including segregated cells thereof, apply to such events even/' '\
5421 '5421' ' /'2341/' /' when such legal organisations own or control innovative/' '\
5422 '5422' ' /'2342/' /' technology arrangements;/' '\
5423 '5423' ' Back'\
5424 '5424' ' MaltaParl\_2018\_VFA\_Act [ 18670: 19567]' '\
5425 '5425' ' 160 of 218
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5426 '5426' ' '
5427 '5427' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5428 '5428' ' (d) any advertisement contained in a publication/' '\
5429 '5429' ' /'272/' /' published and circulated principally outside malta, or in a sound/' '\
5430 '5430' ' /'273/' /' or television broadcast transmitted principally for reception/' '\
5431 '5431' ' /'274/' /' outside malta, or any other communication using any other/' '\
5432 '5432' ' /'275/' /' medium, originating outside malta, unless the advertisement is/' '\
5433 '5433' ' /'276/' /' directed to persons in malta, or is otherwise intended to be made/' '\
5434 '5434' ' /'277/' /' available to persons in malta not being persons falling within the/' '\
5435 '5435' ' /'278/' /' scope of paragraph (b) of this regulation:/' '\
5436 '5436' ' /'279/' /' provided that the exemption described in this/' '\
5437 '5437' ' /'280/' /' regulation shall not apply where the advertisement is issued./' '\
5438 '5438' ' /'281/' /' broadcast or transmitted by:/' '\
5439 '5439' ' /'282/' /' (i) a licence holder; or/' '\
5440 '5440' ' /'283/' /' (ii) a licence holder in exercise of a european right/' '\
5441 '5441' ' Back'\
5442 '5442' ' MaltaParl\_2018\_VFA\_Act [ 26328: 26831]' '\
5443 '5443' ' notwithstanding the nature of the assets or the rights or obligations of/' '\
5444 '5444' ' /'373/' /' the subject person in relation to the assets./' '\
5445 '5445' ' /'374/' /' client enjoys 11. (1) a client whose assets are held under the control of a/' '\
5446 '5446' ' /'375/' /' right of/' '\
5447 '5447' ' /'376/' /' ownership in subject person enjoys a right of ownership in such assets/' '\
5448 '5448' ' /'377/' /' assets. notwithstanding that they may be registered in the name and title of or/' '\
5449 '5449' ' /'378/' /' are otherwise vested in the subject person.'
5450 '5450' ' Back'\
5451 '5451' ' MaltaParl\_2018\_VFA\_Act [ 30382: 31924]' '\
5452 '5452' ' /'422/' /' (5) where a subject person is obliged to enter into agreements/' '\
5453 '5453' ' /'423/' /' that create such security interests, liens or rights of set-off, it shall/' '\
5454 '5454' ' /'424/' /' disclose that information to clients indicating to them the risks/' '\
5455 '5455' ' /'425/' /' associated with those arrangements./' '\
5456 '5456' ' /'426/' /' (6) where security interests, liens or rights of set-off are/' '\
5457 '5457' ' /'427/' /' granted by the subject person over assets belonging to the client, or/' '\
5458 '5458' ' 161 of 218
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5459 '5459' ' '
5460 '5460' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5461 '5461' ' /'428/' /' where the subject person has been informed that they are granted./' '\
5462 '5462' ' /'429/' /' these shall be recorded in the client s contracts and the subject person s/' '\
5463 '5463' ' /'430/' /' own accounts to make the ownership status of the client s assets clear./' '\
5464 '5464' ' /'431/' /' such as in the event of an insolvency./' '\
5465 '5465' ' /'432/' /' 13. (1) the delivery of the assets of a client to a subject applicability of/' '\
5466 '5466' ' /'433/' /' duty on/' '\
5467 '5467' ' /'434/' /' person and from a subject person to a client or another subject person documents and/' '\
5468 '5468' ' /'435/' /' for the purpose of the control of assets in terms of these regulations transfers act and/'
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5537 '5537' ' /'1576/' /' the authority directs;/' '\
5538 '5538' ' /'1577/' /' (e) require any person to give to the authority any/' '\
5539 '5539' ' /'1578/' /' information that may be required with regard to any innovative/' '\
5540 '5540' ' /'1579/' /' technology arrangement regulated by or under this act or any/' '\
5541 '5541' ' /'1580/' /' other special law the authority is entitled to administer or/' '\
5542 '5542' ' /'1581/' /' enforce;/' '\
5543 '5543' ' /'1582/' /' (f) make such inspections , including site/' '\
5544 '5544' ' /'1583/' /' inspections , to enable the authority to carry out its functions at/' '\
5545 '5545' ' /'1584/' /'/' '\
5546 '5546' ' Back'\
5547 '5547' ' MaltaParl\_2018\_VFA\_Act [ 27248: 27597]'\
5548 '5548' ' (2) the records , accounts and other statements held or issued/' '\
5549 '5549' ' /'384/' /' by the subject person in terms of regulation 14(3) shall , saving any/' '\
5550 '5550' ' /'385/' /' proof to the contrary , constitute evidence of their contents and of the/' '\
5551 '5551' ' /'386/' /' right of ownership of the client as provided in sub-regulation (1)./' '\
5552 '5552' ' Back'\
5553 '5553' ' MaltaParl\_2018\_VFA\_Act [ 30382: 31924]'\
5554 '5554' ' /'422/' /' (5) where a subject person is obliged to enter into agreements/' '\
5555 '5555' ' /'423/' /'that create such security interests , liens or rights of set-off , it shall/' '\
5556 '5556' ' /'424/' /'disclose that information to clients indicating to them the risks/' '\
5557 '5557' ' /'425/' /'associated with those arrangements./' '\
5558 '5558' ' /'426/' /' (6) where security interests , liens or rights of set-off are/' '\
5559 '5559' '164 of 218
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5560 '5560' '
5561 '5561' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5562 '5562' ' /'427/' /'granted by the subject person over assets belonging to the client , or/' '\
5563 '5563' ' /'428/' /'where the subject person has been informed that they are granted./' '\
5564 '5564' ' /'429/' /'these shall be recorded in the client s contracts and the subject person s/' '\
5565 '5565' ' /'430/' /'own accounts to make the ownership status of the client s assets clear./' '\
5566 '5566' ' /'431/' /'such as in the event of an insolvency./' '\
5567 '5567' ' /'432/' /' 13. (1) the delivery of the assets of a client to a subject applicability of/' '\
5568 '5568' ' /'433/' /' duty on/' '\
5569 '5569' ' /'434/' /'person and from a subject person to a client or another subject person documents and/' '\
5570 '5570' ' /'435/' /'for the purpose of the control of assets in terms of these regulations transfers act and/' '\
'\
5571 '5571' ' /'436/' /' income tax act./' '\
5572 '5572' ' /'437/' /'shall not be deemed to constitute a chargeable transfer for the purposes/' '\
5573 '5573' ' /'438/' /'of the duty on documents and transfers act and for the purposes of cap.364./' '\
5574 '5574' ' /'439/' /'article 5(1) of the income tax act , where the delivery of such assets cap.123./' '\
5575 '5575' ' /'440/' /'does not constitute a change in the beneficial owner of the assets./' '\
5576 '5576' ' Back'\
5577 '5577' ' MaltaParl\_2018\_VFA\_Act [ 32870: 34035]'\
5578 '5578' ' (3) the subject person shall maintain proper and adequate/' '\
5579 '5579' ' /'455/' /'records and accounts of all clients assets held under control./' '\
5580 '5580' ' /'456/' /' the records and accounts shall identify the clients to whom such/' '\
5581 '5581' ' /'457/' /'assets belong and shall clearly indicate that the assets of every client/' '\
5582 '5582' ' /'458/' /'are separate and distinct from the assets belonging to the subject/' '\
5583 '5583' ' /'459/' /'person and from other clients' assets held by the subject person. the/' '\
5584 '5584' ' /'460/' /'/' '\
5585 '5585' ' /'461/' /'b 3374/' '\
5586 '5586' ' /'462/' /' records and accounts shall , upon due notice being given to the subject/' '\
5587 '5587' ' /'463/' /' person , indicate where any pledge or other right over assets held under/' '\
5588 '5588' ' /'464/' /' the control of the subject person has been given by the clients to any/' '\
5589 '5589' ' /'465/' /' third parties , and where any order by any court has been made in/' '\
5590 '5590' ' /'466/' /' connection with such assets./' '\
5591 '5591' ' /'467/' /' (4) the subject person shall maintain accurate records and/' '\
5592 '5592' '165 of 218
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5593 '5593' '
5594 '5594' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5595 '5595' ' /'468/' /' accounts in a way that ensures accuracy , and in particular their/' '\
5596 '5596' ' /'469/' /' correspondence to the virtual financial assets and money held for the/' '\
5597 '5597' ' /'470/' /' clients and that they may be used as an audit trail./' '\
5598 '5598' ' Back'\
5599 '5599' ' MaltaParl\_2018\_VFA\_Act [ 47565: 49601]'\
5600 '5600' ' 20. (1) the subject person shall make information pertaining/' '\
5601 '5601' ' /'650/' /'information./' '\
5602 '5602' ' /'651/' /' to clients assets readily available to the following entities:/' '\
5603 '5603' ' /'652/' /' (a) the competent authority;/' '\
5604 '5604' ' /'653/' /' (b) an auditor appointed in terms of article 50 of the act;/' '\
5605 '5605' ' /'654/' /' and/' '\
5606 '5606' ' /'655/' /' (c) appointed insolvency practitioners./' '\
5607 '5607' ' /'656/' /' (2) the information to be made available in terms of sub-/' '\
5608 '5608' ' /'657/' /' regulation (1) shall include the following:/' '\

```

5609 '5609' ' /'658/' /' (a) related internal accounts and records that readily/' '\

5610 '5610' ' /'659/' /' identify the balances of assets held for each client;/' '\

5611 '5611' ' /'660/' /' (b) where client money is held by the subject person in/' '\

5612 '5612' ' /'661/' /' accordance with regulation 16, as well as details of the accounts/' '\

5613 '5613' ' /'662/' /' where client money is held and the relevant agreements with/' '\

5614 '5614' ' /'663/' /' those entities;/' '\

5615 '5615' ' /'664/' /' (c) where virtual financial assets are held by the subject/' '\

5616 '5616' ' /'665/' /' person in accordance with regulation 15, as well as details of/' '\

5617 '5617' ' /'666/' /'/' '\

5618 '5618' ' /'667/' /' b 3379/' '\

5619 '5619' ' /'668/' /' accounts opened with third parties and the relevant agreements/' '\

5620 '5620' ' /'669/' /' with those entities;/' '\

5621 '5621' ' /'670/' /' (d) details of third parties carrying out any related/' '\

5622 '5622' ' /'671/' /' outsourced tasks and details of any outsourced tasks;/' '\

5623 '5623' ' /'672/' /' (e) key individuals of the subject person involved in/' '\

5624 '5624' ' /'673/' /' related processes, including those responsible for oversight of/' '\

5625 '5625' ' 166 of 218

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5626 '5626' ' '

5627 '5627' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5628 '5628' ' /'674/' /' the subject person's requirements in relation to the safeguarding/' '\

5629 '5629' ' /'675/' /' of client assets; and/' '\

5630 '5630' ' /'676/' /' (f) agreements relevant to establish client ownership/' '\

5631 '5631' ' /'677/' /' over assets./' '\

5632 '5632' ' Back '\

5633 '5633' ' 30 Codings of /'register/' from 6 files. '\

5634 '5634' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 85393: 86283] '\

5635 '5635' ' (18) in order to enable supervision, issuers of crypto-assets should, before any public offer/' '\

5636 '5636' ' /'945/' /' of crypto-assets in the union or before those crypto-assets are admitted to trading on a/  
'\

5637 '5637' ' /'946/' /' trading platform for crypto-assets, notify their crypto-asset white paper and, where/' '\

5638 '5638' ' /'947/' /' applicable, their marketing communications, to the competent authority of the member/' '\

5639 '5639' ' /'948/' /' state where they have their registered office or a branch. issuers that are established  
in/' '\

5640 '5640' ' /'949/' /' a third country should notify their crypto-asset white paper, and, where applicable,/' '\

5641 '5641' ' /'950/' /' their marketing communication, to the competent authority of the member state where/' '\

5642 '5642' ' /'951/' /' the crypto-assets are intended to be offered or where the admission to trading on a/' '\

5643 '5643' ' /'952/' /' trading platform for crypto-assets is sought in the first place./' '\

5644 '5644' ' Back '\

5645 '5645' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [115807:117111] '\

5646 '5646' ' (53) to facilitate transparency for holders of crypto-assets as regards the provision of/' '\

5647 '5647' ' /'1268/' /' crypto-asset services, esma should establish a register of crypto-asset service/' '\

5648 '5648' ' /'1269/' /' en 25 en/' '\

5649 '5649' ' /'1270/' /'/' '\

5650 '5650' ' /'1271/' /' providers, which should include information on the entities authorised to provide those/  
'\

5651 '5651' ' /'1272/' /' services across the union. that register should also include the crypto-asset white/' '\

5652 '5652' ' /'1273/' /' papers notified to competent authorities and published by issuers of crypto-assets./' '\

5653 '5653' ' /'1274/' /' (54) some firms subject to union legislation on financial services should be allowed to/  
'\

5654 '5654' ' /'1275/' /' provide crypto-asset services without prior authorisation. credit institutions  
authorised/' '\

5655 '5655' ' /'1276/' /' under directive 2013/36/eu should not need another authorisation to provide crypto-/' '\

5656 '5656' ' 167 of 218

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5657 '5657' ' '

5658 '5658' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5659 '5659' ' /'1277/' /' asset services. investment firms authorised under directive 2014/65/eu to provide one/' '  
'\

5660 '5660' ' /'1278/' /' or several investment services as defined under that directive similar to the crypto-/' '  
'\

5661 '5661' ' /'1279/' /' asset services they intend to provide should also be allowed to provide crypto-asset/' '  
'\

5662 '5662' ' /'1280/' /' services across the union without another authorisation./' '\

5663 '5663' ' Back '\

5664 '5664' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [432007:432435] '\

5665 '5665' ' 2. information on the complaints procedures referred to in paragraph 1 shall be made/' '\

5666 '5666' ' /'4933/' /' available on the website of each competent authority and communicated to the eba/' '\

5667 '5667' ' /'4934/' /' and esma. esma shall publish the references to the complaints procedures related/' '\

5668 '5668' ' /'4935/' /' sections of the websites of the competent authorities in its crypto-asset register/' '\

5669 '5669' ' /'4936/' /' referred to in article 57./' '\

5670 '5670' ' Back '\

5671 '5671' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265\\_Annexes [ 1467: 1913] '\

5672 '5672' ' details of the issuer's financial track record for the last 3 years or where the issuer/' '\

5673 '5673' ' /'26/' /' has not been established for the last 3 years, the issuer's financial track record since/' '\

5674 '5674' ' /'27/' /' the date of its registration. where the offer concerns utility tokens that can be/' '\

5675 '5675' ' /'28/' /' effectively exchanged for a product or service upon issuance, the issuer shall be/' '\

5676 '5676' ' /'29/' /' exempted from this requirement./' '\

5677 '5677' ' Back' '\

5678 '5678' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265\\_Annexes [ 13376: 13397] '\

5679 '5679' ' registered address;/' '\

5680 '5680' ' Back' '\

5681 '5681' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265\\_Annexes [ 14092: 14107] '\

5682 '5682' ' registration./' '\

5683 '5683' ' Back' '\

5684 '5684' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [129743:129764] '\

5685 '5685' ' licensed or registered '

5686 '5686' ' Back' '\

5687 '5687' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [155296:155384] '\

5688 '5688' ' central database registering users' identities and wallet addresses accessible to fius '

5689 '5689' ' Back' '\

5690 '5690' ' MaltaParl\\_2018\\_ITAS\\_Act [ 22221: 23128] '\

5691 '5691' '168 of 218

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5692 '5692' ' '

5693 '5693' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5694 '5694' ' the software comprising the innovative/' '\

5695 '5695' ' /'294/' /' technology arrangement, or such parts of it as are designated in/' '\

5696 '5696' ' /'295/' /' applicable rules or otherwise in writing by the authority, has/' '\

5697 '5697' ' /'296/' /' been reviewed by a registered systems auditor, or registered/' '\

5698 '5698' ' /'297/' /' systems auditors, who are independent from all persons/' '\

5699 '5699' ' /'298/' /' owning, administering, operating or otherwise involved in the/' '\

5700 '5700' ' /'299/' /' innovative technology arrangement, and the authority has/' '\

5701 '5701' ' /'300/' /' been provided with positive assurance by the systems auditor./' '\

5702 '5702' ' /'301/' /' or when more than one, each systems auditor, in relation to the/' '\

5703 '5703' ' /'302/' /' matter of audit and review on which he has been engaged./' '\

5704 '5704' ' /'303/' /' the systems auditor shall confirm that the/' '\

5705 '5705' ' /'304/' /' innovative technology arrangement meets reasonable/' '\

5706 '5706' ' /'305/' /' standards with reference to -/' '\

5707 '5707' ' Back' '\

5708 '5708' ' MaltaParl\\_2018\\_ITAS\\_Act [ 24962: 25656] '\

5709 '5709' ' (i) need to be considered holistically in view/' '\

5710 '5710' ' /'332/' /' of its complexity; or/' '\

5711 '5711' ' /'333/' /' (ii) are not susceptible for reasons acceptable/' '\

5712 '5712' ' /'334/' /' to the authority, to the review and assurance/' '\

5713 '5713' ' /'335/' /' described above./' '\

5714 '5714' ' /'336/' /' and in such cases the level of the review or audit and the/' '\

5715 '5715' ' /'337/' /' relative assurances shall be expressly stated in the certification/' '\

5716 '5716' ' /'338/' /' and prominently reflected in the website of the applicant, if/' '\

5717 '5717' ' /'339/' /' any, the innovative technology arrangement and in the register/' '\

5718 '5718' ' /'340/' /' of the authority./' '\

5719 '5719' ' Back' '\

5720 '5720' ' MaltaParl\\_2018\\_ITAS\\_Act [ 25694: 26136] '\

5721 '5721' ' the innovative technology arrangement has a/' '\

5722 '5722' ' /'342/' /' registered technical administrator in office at all times, and/' '\

5723 '5723' ' /'343/' /' who is able to demonstrate to the authority the ability of the/' '\

5724 '5724' '169 of 218

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5725 '5725' ' '

5726 '5726' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5727 '5727' ' /'344/' /' innovative technology arrangement to satisfy -/' '\

5728 '5728' ' /'345/' /' (i) all pre-requisites for the certification which/' '\

5729 '5729' ' /'346/' /' may be granted to it under this act;/' '\

5730 '5730' ' Back' '\

5731 '5731' ' MaltaParl\\_2018\\_ITAS\\_Act [ 30603: 32619] '\

5732 '5732' ' (b) open, decentralised, public and permission-less/' '\

5733 '5733' ' /'413/' /' dlts, and other similar innovative technology arrangements./' '\

5734 '5734' ' /'414/' /' where compliance with one of the requirements stated in this article/' '\

5735 '5735' ' /'415/' /' is not practicable within short time frames due to technical challenges/' '\

5736 '5736' ' /'416/' /' as shall be confirmed by a systems auditor registered under this act./' '\

5737 '5737' ' /'417/' /' if the authority considers the circumstances of the case appropriate./' '\

5738 '5738' ' /'418/' /' the authority may, on the basis of the recommendation of the said/' '\

5739 '5739' ' /'419/' /' systems auditor and the agreement of the applicant identify -/' '\

5740 '5740' ' /'420/' /' (a) the issues on which there is non-compliance with/' '\

5741 '5741' ' /'421/' /' the legal requirements stated in this article;/' '\

5742 '5742' ' /'422/' /' (b) the matters which need to be overcome for such/' '\

5743 '5743' ' /'423/' /' issues to be addressed;/' '\\  
 5744 '5744' ' /'424/' /' (c) the manner in which such issues may be/' '\\  
 5745 '5745' ' /'425/' /' addressed as would satisfy the authority of compliance with/' '\\  
 5746 '5746' ' /'426/' /' this article; and/' '\\  
 5747 '5747' ' /'427/' /' (d) the time frame within which the issues are to be/' '\\  
 5748 '5748' ' /'428/' /' addressed,/' '\\  
 5749 '5749' ' /'429/' /' and proceed to issue a certification of the said innovative technology/' '\\  
 5750 '5750' ' /'430/' /' arrangement conditionally upon compliance within the time frames/' '\\  
 5751 '5751' ' /'431/' /' agreed with the applicant and subject to the additional condition that/' '\\  
 5752 '5752' ' /'432/' /' a systems auditor who has been registered under this act and who/' '\\  
 5753 '5753' ' /'433/' /' maintains such recognition at all relevant times issues a positive/' '\\  
 5754 '5754' ' /'434/' /' assurance that the necessary actions and modifications have been/' '\\  
 5755 '5755' ' /'435/' /' made to the innovative technology arrangement to achieve the agreed/' '\\  
 5756 '5756' ' /'436/' /' outcomes and compliance with this article./' '\\  
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 5758 '5758' '  
 5759 '5759' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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 5760 '5760' ' Back '\\  
 5761 '5761' ' MaltaParl\\_2018\\_ITAS\\_Act [ 34407: 34668] '\\  
 5762 '5762' ' /'providing different innovative technology services as shall be stated/' '\\  
 5763 '5763' ' /'463/' /'in the registration. the registration for the provision of one type of/' '\\  
 5764 '5764' ' /'464/' /'service shall not bar the registration of the same person to provide/' '\\  
 5765 '5765' ' /'465/' /'other types of services./' '\\  
 5766 '5766' ' Back '\\  
 5767 '5767' ' MaltaParl\\_2018\\_ITAS\\_Act [ 36037: 36970] '\\  
 5768 '5768' ' (5) once registered, a service provider shall be granted a/' '\\  
 5769 '5769' ' /'487/' /' certificate of registration which shall state its name and address and/' '\\  
 5770 '5770' ' /'488/' /' have a unique number for purposes of identification and shall list the/' '\\  
 5771 '5771' ' /'489/' /' class or classes of services which the applicant has been registered to/' '\\  
 5772 '5772' ' /'490/' /' provide./' '\\  
 5773 '5773' ' /'491/' /' (6) the registered service provider shall post the certificate/' '\\  
 5774 '5774' ' /'492/' /' of registration on its website, if it has one, as well as on any/' '\\  
 5775 '5775' ' /'493/' /' innovative technology arrangement to which it renders its services/' '\\  
 5776 '5776' ' /'494/' /' and this shall be posted thereon in an easily accessible and legible/' '\\  
 5777 '5777' ' /'495/' /' format so it can be viewed and understood by all users of the/' '\\  
 5778 '5778' ' /'496/' /' innovative technology arrangement./' '\\  
 5779 '5779' ' Back '\\  
 5780 '5780' ' MaltaParl\\_2018\\_ITAS\\_Act [ 38559: 39515] '\\  
 5781 '5781' ' (2) the authority may register any innovative technology/' '\\  
 5782 '5782' ' /'518/' /' service provider when it is satisfied that the innovative technology/' '\\  
 5783 '5783' ' /'519/' /' service provider:/' '\\  
 5784 '5784' ' /'520/' /' (a) is fit and proper for the provision of the services/' '\\  
 5785 '5785' ' /'521/' /' it declares he is providing or intends to provide and, when/' '\\  
 5786 '5786' ' /'522/' /' organised as a legal organisation, any shareholder holding/' '\\  
 5787 '5787' ' /'523/' /' more than twenty-five per cent (25%) of the voting shares/' '\\  
 5788 '5788' ' /'524/' /' shall be a fit and proper person and any administrator of such/' '\\  
 5789 '5789' ' /'525/' /' legal organisation shall be a fit and proper person to carry out/' '\\  
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 5791 '5791' '  
 5792 '5792' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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 5793 '5793' ' /'526/' /' such activities or functions or the role such person has/' '\\  
 5794 '5794' ' /'527/' /' assumed with regard to the legal organisation;/' '\\  
 5795 '5795' ' Back '\\  
 5796 '5796' ' MaltaParl\\_2018\\_ITAS\\_Act [ 40387: 40554] '\\  
 5797 '5797' ' (3) the authority shall not register an innovative/' '\\  
 5798 '5798' ' /'542/' /'technology service provider if the circumstances referred to in article/' '\\  
 5799 '5799' ' /'543/' /'29 of the mdia act arise./' '\\  
 5800 '5800' ' Back '\\  
 5801 '5801' ' MaltaParl\\_2018\\_ITAS\\_Act [ 3847: 4230] '\\  
 5802 '5802' ' // 'authority'/' means the malta digital innovation authority/' '\\  
 5803 '5803' ' /'55/' /' established by the mdia act and any reference to the authority/' '\\  
 5804 '5804' ' /'56/' /' shall, unless the context otherwise requires, be construed as including/' '\\  
 5805 '5805' ' /'57/' /' a reference to any person authorised by the authority to act for or on/' '\\  
 5806 '5806' ' /'58/' /' its behalf;/' '\\  
 5807 '5807' ' Back '\\  
 5808 '5808' ' MaltaParl\\_2018\\_ITAS\\_Act [ 41255: 41597] '\\  
 5809 '5809' ' (6) innovative technology service providers registered /' '\\  
 5810 '5810' ' /'555/' /' /' '\\  
 5811 '5811' ' /'556/' /'under the provisions of this article shall be considered to be /' '\\  
 5812 '5812' ' /'557/' /'professionals who act as fiduciaries in relation to the information'  
 5813 '5813' ' Back '\\



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5814 '5814' ' MaltaParl\_2018\_ITAS\_Act [ 46396: 47250] '\\
5815 '5815' ' (2) in so far as an innovative technology arrangement is/' '\\
5816 '5816' ' /'618/' 'concerned, the holder of the certificate shall also provide the/' '\\
5817 '5817' ' /'619/' 'authority with a declaration by a registered systems auditor and a/' '\\
5818 '5818' ' /'620/' 'registered technical administrator that they are aware of the material/' '\\
5819 '5819' ' /'621/' 'changes which have been made to the information previously/' '\\
5820 '5820' ' /'622/' 'provided to the authority and that such changes do not affect the/' '\\
5821 '5821' ' /'623/' 'content of their review, assurances or declarations provided to the/' '\\
5822 '5822' ' /'624/' 'authority for the purposes of the certification of the relevant/' '\\
5823 '5823' ' /'625/' 'innovative technology arrangement or, to the extent that the changes/' '\\
5824 '5824' '172 of 218
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5825 '5825' '
5826 '5826' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5827 '5827' ' /'626/' 'result in additional features which have not been reviewed and do not/' '\\
5828 '5828' ' /'627/' 'fall within the parameters of existing assurances and declarations/' '\\
5829 '5829' ' /'628/' 'issued by them as required under article 8:/' '\\
5830 '5830' ' Back' '\\
5831 '5831' ' MaltaParl\_2018\_ITAS\_Act [ 50001: 50950] '\\
5832 '5832' ' submitting the information assurances./' '\\
5833 '5833' ' /'667/' ' declarations and other materials or taking such actions as are/' '\\
5834 '5834' ' /'668/' ' required by the authority for renewals of the relevant/' '\\
5835 '5835' ' /'669/' ' authorisations and in particular to demonstrate that the/' '\\
5836 '5836' ' /'670/' ' applicant is still in compliance with the act and the conditions/' '\\
5837 '5837' ' /'671/' ' of its authorisation;/' '\\
5838 '5838' ' /'672/' ' (b) in case of innovative technology arrangements./' '\\
5839 '5839' ' /'673/' ' carrying out the audits and reviews and obtaining the/' '\\
5840 '5840' ' /'674/' ' necessary declarations from the registered auditor and the/' '\\
5841 '5841' ' /'675/' ' registered technical administrator; and/' '\\
5842 '5842' ' /'676/' ' (c) by paying to the authority the relevant fees./' '\\
5843 '5843' ' Back' '\\
5844 '5844' ' MaltaParl\_2018\_ITAS\_Act [ 49007: 49612] '\\
5845 '5845' ' all authorisations under this act shall be for the renewals of/' '\\
5846 '5846' ' /'654/' 'periods of validity and effect as stated in the third schedule and shall certifications
and/' '\\
5847 '5847' ' /'655/' ' registrations./' '\\
5848 '5848' ' /'656/' 'be presumed to expire on the first working day after the relevant/' '\\
5849 '5849' ' /'657/' 'anniversary of the date of authorisation as appears on the certificate/' '\\
5850 '5850' ' /'658/' 'confirming the authorisation./' '\\
5851 '5851' ' /'659/' ' (2) it shall be the duty of an innovative technology/' '\\
5852 '5852' ' /'660/' 'authorisation holder to ensure that the authorisation is kept valid and/' '\\
5853 '5853' ' Back' '\\
5854 '5854' ' MaltaParl\_2018\_ITAS\_Act [ 65250: 65494] '\\
5855 '5855' ' 19. every holder of an innovative technology authorisation/' '\\
5856 '5856' ' /'864/' ' shall pay to the authority such fees on initial application and on/' '\\
5857 '5857' ' /'865/' ' renewal thereafter as may from time to time be prescribed./' '\\
5858 '5858' '173 of 218
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5859 '5859' '
5860 '5860' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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5861 '5861' ' Back' '\\
5862 '5862' ' MaltaParl\_2018\_ITAS\_Act [ 67377: 67486] '\\
5863 '5863' ' issue rules or guidelines in relation to the/' '\\
5864 '5864' ' /'892/' ' register of recognitions kept under this act;/' '\\
5865 '5865' ' Back' '\\
5866 '5866' ' MaltaParl\_2018\_ITAS\_Act [ 73984: 74223] '\\
5867 '5867' ' term of validity of authorisations/' '\\
5868 '5868' ' /'984/' ' certification of innovative technology arrangements – 2 years/' '\\
5869 '5869' ' /'985/' ' registration of systems auditors – 2 years/' '\\
5870 '5870' ' /'986/' ' registration of technical administrators – 2 years/' '\\
5871 '5871' ' Back' '\\
5872 '5872' ' MaltaParl\_2018\_ITAS\_Act [ 76730: 78438] '\\
5873 '5873' ' to changes in administrators or shareholders is being made to the/' '\\
5874 '5874' ' /'1022/' ' authority./' '\\
5875 '5875' ' /'1023/' ' 1.0.4 the calculation of the nature and extent of ownership/' '\\
5876 '5876' ' /'1024/' ' or control stated hereunder shall be made on a direct or indirect basis./' '\\
5877 '5877' ' /'1025/' ' in relation to a person holding such rights or powers such calculation/' '\\
5878 '5878' ' /'1026/' ' shall also, to the extent possible, be made on a cumulative basis/' '\\
5879 '5879' ' /'1027/' ' irrespective of in how many wallets or in what manner such rights/' '\\
5880 '5880' ' /'1028/' ' and powers may be held. if shares are held by an intermediary, then/' '\\
5881 '5881' ' /'1029/' ' the tests in this schedule shall be applied to the beneficial owners/' '\\
5882 '5882' ' /'1030/' ' who shall be obliged to advise the administrators or the authority of/' '\\
5883 '5883' ' /'1031/' ' their cumulative beneficial ownership interests. until such time as the/' '\\
5884 '5884' ' /'1032/' ' technology of the arrangement can carry out such calculations, the/' '\\

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5885 '5885' ' ' '1033/' ' ' duty to declare totals of holdings in cases of multiple holdings, rights/' '\
5886 '5886' ' ' '1034/' ' ' or powers shall be that of a user who shall be advised of such duty in/' '\
5887 '5887' ' ' '1035/' ' ' any relevant documentation, including any whitepaper./' '\
5888 '5888' ' ' '1036/' ' ' 1.0.5 the term 'share' means a right, recorded in a register/' '\
5889 '5889' ' ' '1037/' ' ' held by a legal organisation, which, unless otherwise stated in the/' '\
5890 '5890' ' ' '1038/' ' ' constitutive instrument of the particular legal organisation, entitles/' '\
5891 '5891' '174 of 218
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5892 '5892' ' '
5893 '5893' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
5894 '5894' ' ' '1039/' ' ' the holder to participate in the capital and profits and to vote in the/' '\
5895 '5895' ' ' '1040/' ' ' relevant organ of a legal organisation, and shall include any/' '\
5896 '5896' ' ' Back'\
5897 '5897' ' ' MaltaParl\2018\MDIA\Act [ 7497: 8433]'\
5898 '5898' ' ' 'approval, confirmation, certification by or registration with the/' '\
5899 '5899' ' ' '103/' ' ' authority in terms of any special law which the authority is entitled/' '\
5900 '5900' ' ' '104/' ' ' to administer or enforce and the terms 'authorisation' or/' '\
5901 '5901' ' ' '105/' ' ' 'authorisation holder' in the provisions of this act shall be construed/' '\
5902 '5902' ' ' '106/' ' ' as a reference to the relevant form of recognition, or the holder/' '\
5903 '5903' ' ' '107/' ' ' thereof, as the case may be;/' '\
5904 '5904' ' ' '108/' ' ' 'smart contract' means a form of innovative technology/' '\
5905 '5905' ' ' '109/' ' ' arrangement consisting of:/' '\
5906 '5906' ' ' '110/' ' ' (a) a computer protocol; and, or/' '\
5907 '5907' ' ' '111/' ' ' (b) an agreement concluded wholly or partly in an/' '\
5908 '5908' ' ' '112/' ' ' electronic form, which is automatable and enforceable by/' '\
5909 '5909' ' ' '113/' ' ' execution of computer code, although some parts may require/' '\
5910 '5910' ' ' '114/' ' ' human input and control and which may be also enforceable by/' '\
5911 '5911' ' ' '115/' ' ' ordinary legal methods or by a mixture of both;/' '\
5912 '5912' ' ' Back'\
5913 '5913' ' ' MaltaParl\2018\MDIA\Act [ 78092: 78475]'\
5914 '5914' ' ' (b) information on all matters which are required to/' '\
5915 '5915' ' ' '1013/' ' ' be entered into the register for public information under the/' '\
5916 '5916' ' ' '1014/' ' ' other provisions of this act, the innovative technology cap. 592./' '\
5917 '5917' ' ' '1015/' ' ' arrangements and services act, or the virtual financial cap. 590./' '\
5918 '5918' ' ' '1016/' ' ' assets act, or any other applicable law,/' '\
5919 '5919' ' ' Back'\
5920 '5920' ' ' MaltaParl\2018\MDIA\Act [ 93011: 94510]'\
5921 '5921' ' ' regulatory powers/' '\
5922 '5922' ' ' '1203/' ' ' 34. (1) the authority may at any time revoke, cancel or power of/' '\
5923 '5923' ' ' '1204/' ' ' competent/' '\
5924 '5924' ' ' '1205/' ' ' suspend an innovative technology arrangement authorisation or an authority to/' '\
5925 '5925' '175 of 218
        6/09/2021, 1:01 am'\
5926 '5926' ' '
5927 '5927' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
5928 '5928' ' ' '1206/' ' ' innovative technology services authorisation in accordance with the revoke, cancel or/' '\
5929 '5929' ' ' '\
5930 '5930' ' ' '1207/' ' ' suspend innovative/' '\
5931 '5931' ' ' '1208/' ' ' provisions of this act or any other special law which the authority is technology/' '\
5932 '5932' ' ' '1209/' ' ' entitled to administer or enforce. arrangement/' '\
5933 '5933' ' ' '1210/' ' ' authorisations and/' '\
5934 '5934' ' ' '1211/' ' ' innovative/' '\
5935 '5935' ' ' '1212/' ' ' (2) the authority may revoke, cancel or suspend an technology/' '\
5936 '5936' ' ' '1213/' ' ' innovative technology services authorisation – services/' '\
5937 '5937' ' ' '1214/' ' ' authorisations./' '\
5938 '5938' ' ' '1215/' ' ' (a) if it considers that the holder thereof is not a fit/' '\
5939 '5939' ' ' '1216/' ' ' and proper person to provide the innovative technology service/' '\
5940 '5940' ' ' '1217/' ' ' he is authorised to provide; or/' '\
5941 '5941' ' ' '1218/' ' ' (b) if it considers that the holder thereof does not/' '\
5942 '5942' ' ' Back'\
5943 '5943' ' ' MaltaParl\2018\VFA\Act [ 19916: 20467]'\
5944 '5944' ' ' 6. any person shall, upon submission of a whitepaper for/' '\
5945 '5945' ' ' '291/' ' ' whitepaper/' '\
5946 '5946' ' ' '292/' ' ' review or registration or upon submission of an application for the granting of a/' '\
5947 '5947' ' ' '293/' ' ' application fee. registration, a licence or any other kind of authorisation, irrespective/' '\
5948 '5948' ' ' '\
5949 '5949' ' ' '294/' ' ' of whether the whitepaper is registered or whether the application is/' '\
5950 '5950' ' ' '295/' ' ' eventually accepted or not, pay to the competent authority the/' '\
5951 '5951' ' ' '296/' ' ' respective fee as established in the second column of the schedule./' '\
5952 '5952' ' ' Back'\
5953 '5953' ' ' MaltaParl\2018\VFA\Act [ 26328: 26831]'\
5954 '5954' ' ' notwithstanding the nature of the assets or the rights or obligations of/' '\
5955 '5955' ' ' '373/' ' ' the subject person in relation to the assets./' '\
5956 '5956' ' ' '374/' ' ' client enjoys 11. (1) a client whose assets are held under the control of a/' '\
5957 '5957' ' ' '375/' ' ' right of/' '\

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5956 '5956' ' /'376/' /'ownership in subject person enjoys a right of ownership in such assets/' '\

5957 '5957' ' /'377/' /'assets. notwithstanding that they may be registered in the name and title of or/' '\

5958 '5958' '176 of 218  
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5959 '5959' ' '

5960 '5960' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5961 '5961' ' /'378/' /' are otherwise vested in the subject person.'

5962 '5962' ' Back'\

5963 '5963' ' 11 Codings of /'report/' from 3 files. '\

5964 '5964' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 6845: 6986] '\

5965 '5965' ' more recently, the european parliament is working on a/' '\

5966 '5966' ' /'84/' /' report on digital finance, which has a particular focus on crypto assets.11/' '\

5967 '5967' ' Back'\

5968 '5968' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 43076: 44245] '\

5969 '5969' ' referenced tokens and e-money tokens. it indicates that an issuer shall be entitled to offer such/' '\

5970 '5970' ' /'495/' /' crypto-assets to the public in the union or seek an admission to trading on a trading  
platform/' '\

5971 '5971' ' /'496/' /' for such crypto-assets if it complies with the requirements of article 4, such as the  
obligation/' '\

5972 '5972' ' /'497/' /' to be established in the form of a legal person or the obligation to draw up a crypto-  
asset/' '\

5973 '5973' ' /'498/' /' white paper in accordance with article 5 (with annex i) and the notification of such a  
crypto-/' '\

5974 '5974' ' /'499/' /' asset white paper to the competent authorities (article 7) and its publication (article 8  
) . once/' '\

5975 '5975' ' /'500/' /' a whitepaper has been published, the issuer of crypto-assets can offer its crypto-assets  
in the/' '\

5976 '5976' ' /'501/' /' eu or seeks an admission of such crypto-assets to trading on a trading platform (article  
10)./' '\

5977 '5977' ' /'502/' /' article 4 also includes some exemptions from the publication of a whitepaper, including  
for/' '\

5978 '5978' ' /'503/' /' small offerings of crypto-assets (below 1 million within a twelve-month period) and/' '\

5979 '5979' ' /'504/' /' offerings targeting qualified investors as defined by the prospectus regulation (  
regulation/' '\

5980 '5980' ' /'505/' /' eu 2017/1129).'

5981 '5981' ' Back'\

5982 '5982' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 46048: 47167] '\

5983 '5983' ' title iii, chapter 1 describes the procedure for authorisation of asset-referenced token issuers/' '\

5984 '5984' ' /'525/' /' and the approval of their crypto-asset white paper by national competent authorities (  
articles/' '\

5985 '5985' ' /'526/' /' 16 to 19 and annexes i and ii). to be authorised to operate in the union, issuers of  
asset-/' '\

5986 '5986' ' /'527/' /' referenced tokens shall be incorporated in the form of a legal entity established in the  
eu/' '\

5987 '5987' ' /'528/' /' (article 15). article 15 also indicates that no asset-referenced tokens can be offered to  
the/' '\

5988 '5988' ' /'529/' /' public in the union or admitted to trading on a trading platform for crypto-assets if the  
issuer/' '\

5989 '5989' ' /'530/' /' is not authorised in the union and it does not publish a crypto-asset white paper  
approved by/' '\

5990 '5990' '177 of 218  
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5991 '5991' ' '

5992 '5992' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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5993 '5993' ' /'531/' /' its competent authority. article 15 also includes exemptions for small-scale asset-  
referenced/' '\

5994 '5994' ' /'532/' /' tokens and for asset-referenced tokens that are marketed, distributed and exclusively  
held by/' '\

5995 '5995' ' /'533/' /' qualified investors. withdrawal of an authorisation is detailed in article 20 and article  
21 sets/' '\

5996 '5996' ' /'534/' /' out the procedure for modifying the crypto-asset white paper./' '\

5997 '5997' ' Back'\

5998 '5998' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [533958:534345] '\

5999 '5999' ' 1. by [36 months after the date of entry into force of this regulation] after/' '\

6000 '6000' ' /'6112/' /' consulting the eba and esma, the commission shall present a report to the/' '\

6001 '6001' ' /'6113/' /' european parliament and the council on the application of this regulation, where/' '\

6002 '6002' ' /'6114/' /' appropriate accompanied by a legislative proposal./' '\

6003 '6003' ' /'6115/' /' 2. the report shall contain the following:/' '\

6004 '6004' ' Back'\

6005 '6005' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [539869:540051] '\

6006 '6006' ' (u) the number and amount of administrative fines and criminal penalties imposed/' '\

6007 '6007' ' /'6183/' /' for infringements of this regulation by competent authorities and the eba./' '\

6008 '6008' ' Back '\\  
6009 '6009' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [155028:155661] '\\  
6010 '6010' ' the first report, to be published by 11 january 2022, shall be accompanied, if necessary, by  
appropriate '  
6011 '6011' ' legislative / '\\  
6012 '6012' ' /'1391/' /' proposals, including, where appropriate, with respect to virtual currencies,  
empowerments to set—  
6013 '6013' ' up and maintain a / '\\  
6014 '6014' ' /'1392/' /' central database registering users identities and wallet addresses accessible to fuis,  
as well as '  
6015 '6015' ' self-declaration forms / '\\  
6016 '6016' ' /'1393/' /' for the use of virtual currency users, and to improve cooperation between asset recovery  
offices '  
6017 '6017' ' of the member / '\\  
6018 '6018' ' /'1394/' /' states and a risk-based application of the measures referred to in point (b) of article  
20. / '\\  
6019 '6019' ' Back '\\  
6020 '6020' ' MaltaParl\\_2018\\_MDIA\\_Act [ 25635: 25744] '\\  
6021 '6021' ' he shall report the fact / '\\  
6022 '6022' ' /'339/' /' immediately to the minister and tender his resignation. / '\\  
6023 '6023' ' Back '\\  
6024 '6024' ' MaltaParl\\_2018\\_MDIA\\_Act [ 61154: 61558] '\\  
6025 '6025' ' (3) the authority shall, not later than three months after the / '\\  
6026 '6026' ' 178 of 218  
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6027 '6027' ' '  
6028 '6028' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
6029 '6029' ' /'794/' /' end of each financial year, cause a copy of the statement of accounts / '\\  
6030 '6030' ' /'795/' /' duly audited to be transmitted to the minister together with a copy of / '\\  
6031 '6031' ' /'796/' /' any report made by the auditors on that statement or on the accounts / '\\  
6032 '6032' ' /'797/' /' of the authority. / '\\  
6033 '6033' ' Back '\\  
6034 '6034' ' MaltaParl\\_2018\\_MDIA\\_Act [ 65295: 66416] '\\  
6035 '6035' ' 23. the authority shall, not later than three months after the annual report. / '\\  
6036 '6036' ' /'849/' /' end of each financial year, make and transmit to the minister and to / '\\  
6037 '6037' ' /'850/' /' the minister responsible for finance a report dealing generally with / '\\  
6038 '6038' ' /'851/' /' the activities of the authority during that financial year and / '\\  
6039 '6039' ' /'852/' /' containing such information relating to the proceedings and policy of / '\\  
6040 '6040' ' /'853/' /' / '\\  
6041 '6041' ' /'854/' /' 20 [ cap. 591. malta digital innovation authority / '\\  
6042 '6042' ' /'855/' /' the authority as either of the said ministers may from time to time / '\\  
6043 '6043' ' /'856/' /' require. the minister shall, at the earliest opportunity and not later / '\\  
6044 '6044' ' /'857/' /' than three months after he has received a copy of every such report. / '\\  
6045 '6045' ' /'858/' /' or if at any time during that period the house of representatives is / '\\  
6046 '6046' ' /'859/' /' not in session, within three months from the beginning of the next / '\\  
6047 '6047' ' /'860/' /' following session, cause a copy of every such report to be laid on the / '\\  
6048 '6048' ' /'861/' /' table of the house of representatives. / '\\  
6049 '6049' ' Back '\\  
6050 '6050' ' MaltaParl\\_2018\\_MDIA\\_Act [ 90377: 90633] '\\  
6051 '6051' ' (3) the authority shall designate from time to time the / '\\  
6052 '6052' ' /'1166/' /' holders of office or other functionaries within the applicant who shall / '\\  
6053 '6053' ' /'1167/' /' have the duties of notification to the authority under this act. / '\\  
6054 '6054' ' Back '\\  
6055 '6055' ' MaltaParl\\_2018\\_MDIA\\_Act [122572:123243] '\\  
6056 '6056' ' (d) require any person to maintain such books. / '\\  
6057 '6057' ' /'1575/' /' documents or records for such period as may be reasonable as / '\\  
6058 '6058' ' /'1576/' /' the authority directs; / '\\  
6059 '6059' ' /'1577/' /' (e) require any person to give to the authority any / '\\  
6060 '6060' ' 179 of 218  
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, 1:01 am '\\  
6061 '6061' ' '  
6062 '6062' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
6063 '6063' ' /'1578/' /' information that may be required with regard to any innovative / '\\  
6064 '6064' ' /'1579/' /' technology arrangement regulated by or under this act or any / '\\  
6065 '6065' ' /'1580/' /' other special law the authority is entitled to administer or / '\\  
6066 '6066' ' /'1581/' /' enforce; / '\\  
6067 '6067' ' /'1582/' /' (f) make such inspections, including site / '\\  
6068 '6068' ' /'1583/' /' inspections, to enable the authority to carry out its functions at / '\\  
6069 '6069' ' /'1584/' /' / '\\  
6070 '6070' ' Back '\\  
6071 '6071' ' 16 Codings of /'responsible/' from 4 files. '\\  
6072 '6072' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 15188: 16396] '\\  
6073 '6073' ' stablish clear rules for the use of crypto-assets.21 this proposal is consistent with the sme / '\\  
6074 '6074' ' /'185/' /' strategy adopted on 10 march 2020, which also highlights dlt and crypto-assets as / '\\

6075 '6075' ' /'186/' ' innovations that can enable smes to engage directly with investors.22/' '\

6076 '6076' ' /'187/' ' finally , the proposal is fully in line with the recommendation in the security union  
strategy/' '\

6077 '6077' ' /'188/' ' for the development of a legislative framework in crypto-assets given the growing effect  
of/' '\

6078 '6078' ' /'189/' ' these new technologies on how financial assets are issued , exchanged , shared and accessed  
.23/' '\

6079 '6079' ' /'190/' ' 2. legal basis , subsidiarity and proportionality/' '\

6080 '6080' ' /'191/' ' legal basis/' '\

6081 '6081' ' /'192/' ' the proposal is based on article 114 tfeu , which confers on the european institutions the  
/' '\

6082 '6082' ' /'193/' ' competence to lay down appropriate provisions for the approximation of laws of the member  
/' '\

6083 '6083' ' /'194/' ' states that have as their objective the establishment and functioning of the internal  
market./' '\

6084 '6084' ' /'195/' ' the proposal aims to remove obstacles to establishment and improve the functioning of the  
/' '\

6085 '6085' ' /'196/' ' internal market for financial services by ensuring that the applicable rules are fully/' '  
\\

6086 '6086' ' /'197/' ' harmonised.'

6087 '6087' ' Back'\\

6088 '6088' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 32296: 32947]'\\

6089 '6089' ' option 1 bespoke legislative regime aimed at addressing the risks posed by/' '\

6090 '6090' ' /'379/' ' stablecoins and global stablecoins /' '\

6091 '6091' '180 of 218  
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6092 '6092' ' '

6093 '6093' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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6094 '6094' ' /'380/' ' by following a strict risk-based approach and building on recommendations currently being  
/' '\

6095 '6095' ' /'381/' ' developed by, for example, the fsb , this option would address vulnerabilities to  
financial/' '\

6096 '6096' ' /'382/' ' stability posed by stablecoins , while allowing for the development of different types of/  
'\

6097 '6097' ' /'383/' ' stablecoin business models. these would include specific disclosure requirements for/' '  
\\

6098 '6098' ' /'384/' ' stablecoin issuers as well as requirements imposed on the reserve backing the  
stablecoin ./' '\

6099 '6099' ' Back'\\

6100 '6100' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 82910: 83584]'\\

6101 '6101' ' discriminatory treatment of holders of crypto-assets , the information in the crypto-/' '\

6102 '6102' ' /'919/' ' asset white paper, and where applicable in any marketing communications related to/' '\

6103 '6103' ' /'920/' ' the public offer , shall be fair , clear and not misleading./' '\

6104 '6104' ' /'921/' ' (15) in order to ensure a proportionate approach , the requirements to draw up and publish  
a/' '\

6105 '6105' ' /'922/' ' crypto-asset white paper should not apply to offers of crypto-assets , other than asset-/' '  
\\

6106 '6106' ' /'923/' ' referenced tokens or e-money tokens , that are offered for free , or offers of crypto-/' '\

6107 '6107' ' /'924/' ' assets that are exclusively offered to qualified investors as defined in article 2 , point  
/' '\

6108 '6108' ' Back'\\

6109 '6109' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 527538:529629]'\\

6110 '6110' ' supervisory fees/' '\

6111 '6111' ' /'6037/' ' 1. the eba shall charge fees to the issuers of significant asset-referenced tokens and/' '  
\\

6112 '6112' ' /'6038/' ' the issuers of significant e-money tokens in accordance with this regulation and in/' '\

6113 '6113' ' /'6039/' ' accordance with the delegated acts adopted pursuant to paragraph 3. those fees shall/' '  
\\

6114 '6114' ' /'6040/' ' cover the eba s expenditure relating to the supervision of issuers of significant/' '\

6115 '6115' ' /'6041/' ' asset-referenced tokens and the supervision of issuers of significant e-money token/' '\

6116 '6116' ' /'6042/' ' issuers in accordance with article 98 , as well as the reimbursement of costs that the/' '  
\\

6117 '6117' ' /'6043/' ' competent authorities may incur carrying out work pursuant to this regulation , in/' '\

6118 '6118' ' /'6044/' ' particular as a result of any delegation of tasks in accordance with article 120./' '\

6119 '6119' ' /'6045/' ' 2. the amount of the fee charged to an individual issuer of significant asset-referenced  
/' '\

6120 '6120' ' /'6046/' ' tokens shall be proportionate to the size of its reserve assets and shall cover all  
costs/' '\

6121 '6121' ' /'6047/' ' incurred by the eba for the performance of its supervisory tasks in accordance with/' '\

6122 '6122' ' /'6048/' ' this regulation./' '\

6123 '6123' ' /'6049/' ' the amount of the fee charged to an individual issuer of significant e-money tokens/' '\

6124 '6124' '181 of 218  
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6125 '6125' ' '

6126 '6126' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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6127 '6127' ' ' //6050/' ' shall be proportionate to the size of the e-money issued in exchanged of funds and/' '\

6128 '6128' ' ' //6051/' ' shall cover all costs incurred by the eba for the performance of its supervisory tasks/' '\

6129 '6129' ' ' //6052/' ' in accordance with this regulation./' '\

6130 '6130' ' ' //6053/' ' 3. the commission shall adopt a delegated act in accordance with article 121 by/' '\

6131 '6131' ' ' //6054/' ' [please insert date 12 months after entry into force] to specify the type of fees, the/' '\

6132 '6132' ' ' //6055/' ' matters for which fees are due, the amount of the fees and the manner in which they/' '\

6133 '6133' ' ' //6056/' ' are to be paid and the methodology to calculate the maximum amount per entity/' '\

6134 '6134' ' ' //6057/' ' under paragraph 2 that can be charged by the eba./' '\

6135 '6135' ' ' Back'\

6136 '6136' ' ' MaltaParl\\_2018\\_ITAS\\_Act [ 4263: 5897]'\

6137 '6137' ' ' //innovative technology arrangement/' ' means an arrangement/' '\

6138 '6138' ' ' //60/' ' listed in the first schedule;/' '\

6139 '6139' ' ' //61/' ' //innovative technology service/' ' means a service listed in the/' '\

6140 '6140' ' ' //62/' ' second schedule, and //innovative technology service provider/' ' shall/' '\

6141 '6141' ' ' //63/' ' be construed accordingly;/' '\

6142 '6142' ' ' //64/' ' cap. 591. //the mdia act/' ' means the malta digital innovation authority/' '\

6143 '6143' ' ' //65/' ' act, and includes any regulations made, and rules and guidelines/' '\

6144 '6144' ' ' //66/' ' issued thereunder, unless the context otherwise requires;/' '\

6145 '6145' ' ' //67/' ' //minister/' ' means the minister responsible for digital/' '\

6146 '6146' ' ' //68/' ' economy;/' '\

6147 '6147' ' ' //69/' ' //national competent authorities/' ' are authorities, departments./' '\

6148 '6148' ' ' //70/' ' agencies or divisions of the government or government entities/' '\

6149 '6149' ' ' //71/' ' which carry out supervision, regulatory or assessment functions of/' '\

6150 '6150' ' ' //72/' ' persons applying for any form of recognition under applicable law as/' '\

6151 '6151' ' ' //73/' ' are listed in the first schedule to the mdia act;/' '\

6152 '6152' ' ' //74/' ' //systems auditor/' ' means a person who, upon a written/' '\

6153 '6153' ' ' //75/' ' engagement accepts to review and, or audit innovative technology/' '\

6154 '6154' ' ' //76/' ' /' '\

6155 '6155' ' ' //77/' ' arrangements and smart contracts or parts thereof who may not/' '\

6156 '6156' ' ' //78/' ' /' '\

6157 '6157' ' 182 of 218

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6158 '6158' ' ' file:///C:/Users/benwa/Documents/Studium/

6159 '6159' ' Codings created by RQDA. UoM\\_Masters/Study/Mast... '\

6160 '6160' ' ' //79/' ' necessarily be an accountant or auditor with a practicing certificate/' '\

6161 '6161' ' ' Back'\

6162 '6162' ' ' MaltaParl\\_2018\\_ITAS\\_Act [ 60993: 61535]'\

6163 '6163' ' ' (2) the resident agent shall be deemed to have all the/' '\

6164 '6164' ' ' //808/' ' necessary powers to provide binding undertakings to the authority on/' '\

6165 '6165' ' ' //809/' ' matters relating to the recognition by the authority on behalf of/' '\

6166 '6166' ' ' //810/' ' innovative technology authorisation holder and the authority is/' '\

6167 '6167' ' ' //811/' ' authorised to act accordingly; provided that nothing in this act shall/' '\

6168 '6168' ' ' //812/' ' imply any power of a resident agent to execute any document relating/' '\

6169 '6169' ' ' //813/' ' to an undertaking involving liability unless expressly authorised to do/' '\

6170 '6170' ' ' //814/' ' so in writing./' '\

6171 '6171' ' ' Back'\

6172 '6172' ' ' MaltaParl\\_2018\\_MDIA\\_Act [ 26482: 26865]'\

6173 '6173' ' ' (2) it shall be the duty of the authority to exercise such/' '\

6174 '6174' ' ' //350/' ' /' '\

6175 '6175' ' ' //351/' ' malta digital innovation authority [ cap. 591. 9/' '\

6176 '6176' ' ' //352/' ' supervisory and regulatory functions in the field of innovative/' '\

6177 '6177' ' ' //353/' ' technology arrangements and innovative technology services as may/' '\

6178 '6178' ' ' //354/' ' from time to time be assigned to the authority by any special law./' '\

6179 '6179' ' ' Back'\

6180 '6180' ' ' MaltaParl\\_2018\\_MDIA\\_Act [ 75311: 76186]'\

6181 '6181' ' ' for the better carrying out of the provisions of/' '\

6182 '6182' ' ' //974/' ' this act, the authority may, from time to time, issue and publish/' '\

6183 '6183' ' ' //975/' ' innovative technology authorisation rules which shall be binding on/' '\

6184 '6184' ' ' //976/' ' innovative technology authorisation holders and others as may be/' '\

6185 '6185' ' ' //977/' ' specified therein./' '\

6186 '6186' ' ' //978/' ' (c) in the interest of transparency and market/' '\

6187 '6187' ' ' //979/' ' awareness, such innovative technology authorisation rules may lay/' '\

6188 '6188' ' ' //980/' ' down additional requirements and conditions in relation to activities/' '\

6189 '6189' ' ' //981/' ' of innovative technology authorisation holders, the conduct of their/' '\

6190 '6190' ' ' //982/' ' business, their relations with customers, the public and other parties./' '\

6191 '6191' ' 183 of 218

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6192 '6192' ' ' file:///C:/Users/benwa/Documents/Studium/

6193 '6193' ' Codings created by RQDA. UoM\\_Masters/Study/Mast... '\

6194 '6194' ' ' //983/' ' their responsibilities to the authority, reporting requirements,/ ' '\

6195 '6195' ' ' Back'\

6196 '6196' ' ' MaltaParl\\_2018\\_MDIA\\_Act [ 77213: 77567]'\

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6197 '6197' ' every innovative technology service authorisation shall/' '\
6198 '6198' ' /'1001/' /'specify the innovative technology service which the holder thereof/' '\
6199 '6199' ' /'1002/' /'has been recognised as being able to provide and any innovative/' '\
6200 '6200' ' /'1003/' /'technology arrangement authorisation shall specify the innovative/' '\
6201 '6201' ' /'1004/' /'technology arrangement which has been recognised or authorised./' '\
6202 '6202' ' Back'\
6203 '6203' ' MaltaParl\_2018\_MDIA\_Act [ 32579: 32866]'\
6204 '6204' ' investigate allegations of practices and activities/' '\
6205 '6205' ' /'434/' /' detrimental to consumers of innovative technology/' '\
6206 '6206' ' /'435/' /' arrangements and innovative technology services, and/' '\
6207 '6207' ' /'436/' /' generally keep under review trading practices relating to the/' '\
6208 '6208' ' Back'\
6209 '6209' ' MaltaParl\_2018\_MDIA\_Act [ 36742: 37128]'\
6210 '6210' ' it shall seek such/' '\
6211 '6211' ' /'491/' /' information under conditions acceptable to the holder of the/' '\
6212 '6212' ' /'492/' /' innovative technology authorisation intended to protect his/' '\
6213 '6213' ' /'493/' /' commercial interest or otherwise under the conditions/' '\
6214 '6214' ' /'494/' /' established by the first hall, civil court;/' '\
6215 '6215' ' Back'\
6216 '6216' ' MaltaParl\_2018\_MDIA\_Act [ 39103: 39530]'\
6217 '6217' ' the authority shall also have such other functions./' '\
6218 '6218' ' /'517/' /' responsibilities and powers as are set out by or under this act or as/' '\
6219 '6219' ' /'518/' /' may be assigned to it by or under any other law including all such/' '\
6220 '6220' ' /'519/' /' powers as are necessary for or incidental to the performance of its/' '\
6221 '6221' ' /'520/' /' functions by or under this act or any other law./' '\
6222 '6222' ' Back'\
6223 '6223' ' MaltaParl\_2018\_MDIA\_Act [ 39571: 40076]'\
6224 '6224' ' the authority shall in the carrying out of its functions/' '\
6225 '6225' '184 of 218

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6226 '6226' '
6227 '6227' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast... '\
6228 '6228' ' /'522/' /' seek to ensure that the measures taken are proportionate having/' '\
6229 '6229' ' /'523/' /' regard also to the objectives of the authority./' '\
6230 '6230' ' /'524/' /'conduct of the 7. (1) the affairs and business of the authority shall be/' '\
6231 '6231' ' /'525/' /'affairs of the the responsibility of the board which responsibility shall be exercised/' '\
6232 '6232' ' /'526/' /'authority./' '\
6233 '6233' ' /'527/' /' through the chairman:/' '\
6234 '6234' ' Back'\
6235 '6235' ' MaltaParl\_2018\_MDIA\_Act [ 51742: 52415]'\
6236 '6236' ' for the purpose of carrying out any of its/' '\
6237 '6237' ' /'678/' /'raise capital. functions under this act or any other special law which the authority/' '\
6238 '6238' ' /'679/' /' is entitled to administer or enforce, the authority may, with the/' '\
6239 '6239' ' /'680/' /' approval in writing of the minister given after consultation with the/' '\
6240 '6240' ' /'681/' /' minister responsible for finance, borrow or raise money in such/' '\
6241 '6241' ' /'682/' /' manner, from such person, body or authority, and under such terms/' '\
6242 '6242' ' /'683/' /' and conditions as the minister, after consultation as aforesaid, may in/' '\
6243 '6243' ' /'684/' /' writing approve./' '\
6244 '6244' ' Back'\
6245 '6245' ' MaltaParl\_2018\_MDIA\_Act [ 57416: 57991]'\
6246 '6246' ' until the expiration of six months from the/' '\
6247 '6247' ' /'747/' /' beginning of a financial year, or until the approval of the/' '\
6248 '6248' ' /'748/' /' estimates for that year by the minister, whichever is the earlier/' '\
6249 '6249' ' /'749/' /' date, the authority may make or incur expenditure for carrying/' '\
6250 '6250' ' /'750/' /' out its functions under this act or any other special law which/' '\
6251 '6251' ' /'751/' /' the authority is entitled to administer or enforce not exceeding/' '\
6252 '6252' ' /'752/' /' in the aggregate one-half of the amount approved by the/' '\
6253 '6253' ' /'753/' /' minister for the preceding financial year;/' '\
6254 '6254' ' Back'\
6255 '6255' ' MaltaParl\_2018\_VFA\_Act [ 507: 838]'\
6256 '6256' ' virtual financial assets regulations, 2018/' '\
6257 '6257' ' /'9/' /' in exercise of the powers conferred by article 38 of the/' '\
6258 '6258' ' /'10/' /'virtual financial assets act, the minister responsible for the/' '\
6259 '6259' '185 of 218
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6260 '6260' '
6261 '6261' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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6262 '6262' ' /'11/' /'regulation of financial services, acting on the advice of the malta/' '\
6263 '6263' ' /'12/' /'financial services authority, has made the following regulations:/' '\
6264 '6264' ' Back'\
6265 '6265' ' 8 Codings of /'review/' from 3 files.' '\
6266 '6266' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 33575: 33668]'\
6267 '6267' ' stablecoin issuers to comply with existing legislation that may not be fit for purpose./' '\

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6268 '6268' ' Back '\\  
6269 '6269' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 69279: 70801] '\\  
6270 '6270' ' (4) the lack of an overall union framework for crypto-assets can lead to a lack of users /' '\\  
6271 '6271' ' /'774/' /' confidence in those assets, which will hinder the development of a market in those /' '\\  
6272 '6272' ' /'775/' /' assets and can lead to missed opportunities in terms of innovative digital services, /' '\\  
6273 '6273' ' /'776/' /' alternative payment instruments or new funding sources for union companies. in /' '\\  
6274 '6274' ' /'777/' /' addition, companies using crypto-assets will have no legal certainty on how their /' '\\  
6275 '6275' ' /'778/' /' crypto-assets will be treated in the different member states, which will undermine /' '\\  
6276 '6276' ' /'779/' /' their efforts to use crypto-assets for digital innovation. the lack of an overall union /'  
' '\\  
6277 '6277' ' /'780/' /' framework on crypto-assets could also lead to regulatory fragmentation, which will /' '\\  
6278 '6278' ' /'781/' /' distort competition in the single market, make it more difficult for crypto-asset /' '\\  
6279 '6279' ' /'782/' /' service providers to scale up their activities on a cross-border basis and will give rise  
/ ' '\\  
6280 '6280' ' /'783/' /' to regulatory arbitrage. the crypto-asset market is still modest in size and does not yet  
/ ' '\\  
6281 '6281' ' /'784/' /' pose a threat to financial stability. it is, however, likely that a subset of crypto-  
assets /' '\\  
6282 '6282' ' /'785/' /' which aim to stabilise their price by linking their value to a specific asset or a basket  
/ ' '\\  
6283 '6283' ' /'786/' /' of assets could be widely adopted by consumers. such a development could raise /' '\\  
6284 '6284' ' /'787/' /' additional challenges to financial stability, monetary policy transmission or monetary /'  
\\  
6285 '6285' ' /'788/' /' sovereignty. /' '\\  
6286 '6286' ' Back '\\  
6287 '6287' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 85393: 86283] '\\  
6288 '6288' ' (18) in order to enable supervision, issuers of crypto-assets should, before any public offer /' '\\  
6289 '6289' ' /'945/' /' of crypto-assets in the union or before those crypto-assets are admitted to trading on a /'  
' '\\  
6290 '6290' ' /'946/' /' trading platform for crypto-assets, notify their crypto-asset white paper and, where /' '\\  
6291 '6291' '186 of 218  
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6292 '6292' ' '  
6293 '6293' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
UoM\\_Masters/Study/Mast... '\\  
6294 '6294' ' /'947/' /' applicable, their marketing communications, to the competent authority of the member /' '\\  
6295 '6295' ' /'948/' /' state where they have their registered office or a branch. issuers that are established  
in /' '\\  
6296 '6296' ' /'949/' /' a third country should notify their crypto-asset white paper, and, where applicable, /' '\\  
6297 '6297' ' /'950/' /' their marketing communication, to the competent authority of the member state where /' '\\  
6298 '6298' ' /'951/' /' the crypto-assets are intended to be offered or where the admission to trading on a /' '\\  
6299 '6299' ' /'952/' /' trading platform for crypto-assets is sought in the first place. /' '\\  
6300 '6300' ' Back '\\  
6301 '6301' ' MaltaParl\\_2018\\_ITAS\\_Act [ 22221: 23128] '\\  
6302 '6302' ' the software comprising the innovative /' '\\  
6303 '6303' ' /'294/' /' technology arrangement, or such parts of it as are designated in /' '\\  
6304 '6304' ' /'295/' /' applicable rules or otherwise in writing by the authority, has /' '\\  
6305 '6305' ' /'296/' /' been reviewed by a registered systems auditor, or registered /' '\\  
6306 '6306' ' /'297/' /' systems auditors, who are independent from all persons /' '\\  
6307 '6307' ' /'298/' /' owning, administering, operating or otherwise involved in the /' '\\  
6308 '6308' ' /'299/' /' innovative technology arrangement, and the authority has /' '\\  
6309 '6309' ' /'300/' /' been provided with positive assurance by the systems auditor, /' '\\  
6310 '6310' ' /'301/' /' or when more than one, each systems auditor, in relation to the /' '\\  
6311 '6311' ' /'302/' /' matter of audit and review on which he has been engaged. /' '\\  
6312 '6312' ' /'303/' /' the systems auditor shall confirm that the /' '\\  
6313 '6313' ' /'304/' /' innovative technology arrangement meets reasonable /' '\\  
6314 '6314' ' /'305/' /' standards with reference to - /' '\\  
6315 '6315' ' Back '\\  
6316 '6316' ' MaltaParl\\_2018\\_ITAS\\_Act [ 24509: 24925] '\\  
6317 '6317' ' the authority may at its discretion, /' '\\  
6318 '6318' ' /'326/' /' cumulatively or alternatively, require a high level review or /' '\\  
6319 '6319' ' /'327/' /' audit on the characteristics of the innovative technology /' '\\  
6320 '6320' ' /'328/' /' arrangement when, in the opinion of the authority, the specific /' '\\  
6321 '6321' ' /'329/' /' purposes, behaviours or aspects of the relevant innovative /' '\\  
6322 '6322' ' /'330/' /' technology arrangement: /' '\\  
6323 '6323' ' Back '\\  
6324 '6324' ' MaltaParl\\_2018\\_ITAS\\_Act [ 73984: 74223] '\\  
6325 '6325' '187 of 218  
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6326 '6326' ' '  
6327 '6327' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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6328 '6328' ' term of validity of authorisations /' '\\  
6329 '6329' ' /'984/' /' certification of innovative technology arrangements – 2 years /' '\\  
6330 '6330' ' /'985/' /' registration of systems auditors – 2 years /' '\\



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6331 '6331' ' ' /'986/' ' ' registration of technical administrators – 2 years/' '\
6332 '6332' ' ' Back'\
6333 '6333' ' ' MaltaParl\_2018\_MDIA\_Act [ 31855: 33318] '\
6334 '6334' ' ' keep under review developments on relevant/' '\
6335 '6335' ' ' /'425/' ' ' subjects relating to innovative technology arrangements and/' '\
6336 '6336' ' ' /'426/' ' ' innovative technology services including, but not limited to,/' '\
6337 '6337' ' ' /'427/' ' ' digital assets and their issuance, cryptography in the context of/' '\
6338 '6338' ' ' /'428/' ' ' innovative technology arrangements as well as the uses/' '\
6339 '6339' ' ' /'429/' ' ' thereof, the development of standards within the industry and/' '\
6340 '6340' ' ' /'430/' ' ' all related matters, so as to ensure that activity in malta is/' '\
6341 '6341' ' ' /'431/' ' ' generally consistent with internationally recognised standards/' '\
6342 '6342' ' ' /'432/' ' ' and norms of good practice;/' '\
6343 '6343' ' ' /'433/' ' ' (r) investigate allegations of practices and activities/' '\
6344 '6344' ' ' /'434/' ' ' detrimental to consumers of innovative technology/' '\
6345 '6345' ' ' /'435/' ' ' arrangements and innovative technology services, and/' '\
6346 '6346' ' ' /'436/' ' ' generally keep under review trading practices relating to the/' '\
6347 '6347' ' ' /'437/' ' ' '\
6348 '6348' ' ' /'438/' ' ' malta digital innovation authority [ cap. 591. 11/' '\
6349 '6349' ' ' /'439/' ' ' provision of innovative technology services and identify, and/' '\
6350 '6350' ' ' /'440/' ' ' take measures to suppress and prevent, any practices which/' '\
6351 '6351' ' ' /'441/' ' ' may be unfair, harmful or otherwise detrimental to consumers/' '\
6352 '6352' ' ' /'442/' ' ' and users of innovative technology arrangements and/' '\
6353 '6353' ' ' /'443/' ' ' innovative technology services; and/' '\
6354 '6354' ' ' Back'\
6355 '6355' ' ' MaltaParl\_2018\_MDIA\_Act [113108:114201] '\
6356 '6356' ' ' without in any way disclosing information on publication of/' '\
6357 '6357' ' ' /'1455/' ' ' specific applicants or matters of commercial sensitivity, the authority policy guidelines
        /' '\
6358 '6358' ' '188 of 218
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6359 '6359' ' '
6360 '6360' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
6361 '6361' ' ' /'1456/' ' ' shall seek to regularly publish information relating to its rulings,/' '\
6362 '6362' ' ' /'1457/' ' ' determinations and policy positions when they affect applications,/' '\
6363 '6363' ' ' /'1458/' ' ' interpretation of the provisions of this act, or any special law which/' '\
6364 '6364' ' ' /'1459/' ' ' it is entitled to administer or enforce, so as to ensure that applicants/' '\
6365 '6365' ' ' /'1460/' ' ' and the public in general are aware of the position taken by the/' '\
6366 '6366' ' ' /'1461/' ' ' authority on matters of general interest relating to innovative/' '\
6367 '6367' ' ' /'1462/' ' ' technology arrangements./' '\
6368 '6368' ' ' /'1463/' ' ' (2) the publication of such information shall not in any way/' '\
6369 '6369' ' ' /'1464/' ' ' limit the freedom of the authority to vary its policies or approach on/' '\
6370 '6370' ' ' /'1465/' ' ' any issue based on further review and experience or development of/' '\
6371 '6371' ' ' /'1466/' ' ' technology or law generally. when such variations take place the/' '\
6372 '6372' ' ' /'1467/' ' ' authority shall notify in later publications the connection and review/' '\
6373 '6373' ' ' /'1468/' ' ' to previous publications./' '\
6374 '6374' ' ' Back'\
6375 '6375' ' ' 35 Codings of /'service\_provider/' from 6 files. '\
6376 '6376' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 16397: 18767] '\
6377 '6377' ' ' /'198/' ' ' today, crypto–asset issuers and service providers cannot fully reap the benefits of the
        internal/' '\
6378 '6378' ' ' /'199/' ' ' market, due to a lack of both legal certainty about the regulatory treatment of crypto–
        assets as/' '\
6379 '6379' ' ' /'200/' ' ' well as the absence of a dedicated and coherent regulatory and supervisory regime at eu/'
        '\
6380 '6380' ' ' /'201/' ' ' level. while a few member states have already implemented a bespoke regime to cover some/'
        '\
6381 '6381' ' ' /'202/' ' ' crypto–asset service providers or parts of their activity, in most member states they
        operate/' '\
6382 '6382' ' ' /'203/' ' ' outside any regulatory regime. in addition, an increasing number of member states are/'
        '\
6383 '6383' ' ' /'204/' ' ' considering bespoke national frameworks to cater specifically for crypto–assets and
        crypto–/' '\
6384 '6384' ' ' /'205/' ' ' asset service providers./' '\
6385 '6385' ' ' /'206/' ' ' the divergent frameworks, rules and interpretations of both crypto–assets and crypto–
        asset/' '\
6386 '6386' ' ' /'207/' ' ' services throughout the union hinder the service providers ability to scale up their
        activity at/' '\
6387 '6387' ' ' /'208/' ' ' eu level. this means that service providers of these inherently cross–border products and
        /' '\
6388 '6388' ' ' /'209/' ' ' services are forced to familiarise themselves with several member states legislations,
        obtain/' '\
6389 '6389' ' '189 of 218
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6390 '6390' ' '
6391 '6391' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\

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6392 '6392' ' ' /'210/' ' ' multiple national authorisations or registrations and comply with often divergent national/' '\

6393 '6393' ' ' /'211/' ' ' laws, sometimes adjusting their business model throughout the union. this results in high /' '\

6394 '6394' ' ' /'212/' ' ' costs, legal complexity and uncertainty for service providers operating in the crypto-assets/' '\

6395 '6395' ' ' /'213/' ' ' space, limiting the development and scaling up of crypto-asset activities in the union./' '\

6396 '6396' ' ' /'214/' ' ' additionally, the lack of applicable regimes to crypto-asset service providers in many/' '\

6397 '6397' ' ' /'215/' ' ' member states limits the availability of funding and sometimes even wider access to/' '\

6398 '6398' ' ' /'216/' ' ' necessary financial services, such as banking services, due to the regulatory uncertainty /' '\

6399 '6399' ' ' /'217/' ' ' associated with crypto-assets and therefore crypto-asset service providers./' '\

6400 '6400' ' ' /'218/' ' ' these divergences also create an uneven playing field for crypto-asset service providers/' '\

6401 '6401' ' ' /'219/' ' ' depending on their location, creating further barriers to the smooth functioning of the internal/' '\

6402 '6402' ' ' /'220/' ' ' market. finally, this adds to the lack of legal certainty, which, combined with the absence of a /' '\

6403 '6403' ' ' /'221/' ' ' common eu framework, leaves consumers and investors exposed to substantial risks./' '\

6404 '6404' ' ' Back'\

6405 '6405' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 43076: 44245]'\

6406 '6406' ' ' referenced tokens and e-money tokens. it indicates that an issuer shall be entitled to offer such/' '\

6407 '6407' ' ' /'495/' ' ' crypto-assets to the public in the union or seek an admission to trading on a trading platform/' '\

6408 '6408' ' ' /'496/' ' ' for such crypto-assets if it complies with the requirements of article 4, such as the obligation/' '\

6409 '6409' ' ' /'497/' ' ' to be established in the form of a legal person or the obligation to draw up a crypto-asset/' '\

6410 '6410' ' ' /'498/' ' ' white paper in accordance with article 5 (with annex i) and the notification of such a crypto-/' '\

6411 '6411' ' ' /'499/' ' ' asset white paper to the competent authorities (article 7) and its publication (article 8 ). once/' '\

6412 '6412' ' ' /'500/' ' ' a whitepaper has been published, the issuer of crypto-assets can offer its crypto-assets in the/' '\

6413 '6413' ' ' /'501/' ' ' eu or seeks an admission of such crypto-assets to trading on a trading platform (article 10)./' '\

6414 '6414' ' ' /'502/' ' ' article 4 also includes some exemptions from the publication of a whitepaper, including for/' '\

6415 '6415' ' ' /'503/' ' ' small offerings of crypto-assets (below 1 million within a twelve-month period) and/' '\

6416 '6416' ' ' /'504/' ' ' offerings targeting qualified investors as defined by the prospectus regulation ( regulation/' '\

6417 '6417' ' ' /'505/' ' ' eu 2017/1129). '

6418 '6418' ' ' Back'\

6419 '6419' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 69279: 70801]'\

6420 '6420' ' ' (4) the lack of an overall union framework for crypto-assets can lead to a lack of users /' '\

6421 '6421' ' ' /'774/' ' ' confidence in those assets, which will hinder the development of a market in those/' '\

6422 '6422' '190 of 218

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6423 '6423' ' ' file:///C:/Users/benwa/Documents/Studium/UoM\\_Masters/Study/Mast... '\

6424 '6424' ' ' Codings created by RQDA.

6425 '6425' ' ' /'775/' ' ' assets and can lead to missed opportunities in terms of innovative digital services,/' '\

6426 '6426' ' ' /'776/' ' ' alternative payment instruments or new funding sources for union companies. in/' '\

6427 '6427' ' ' /'777/' ' ' addition, companies using crypto-assets will have no legal certainty on how their/' '\

6428 '6428' ' ' /'778/' ' ' crypto-assets will be treated in the different member states, which will undermine/' '\

6429 '6429' ' ' /'779/' ' ' their efforts to use crypto-assets for digital innovation. the lack of an overall union/' '\

6430 '6430' ' ' /'780/' ' ' framework on crypto-assets could also lead to regulatory fragmentation, which will/' '\

6431 '6431' ' ' /'781/' ' ' distort competition in the single market, make it more difficult for crypto-asset/' '\

6432 '6432' ' ' /'782/' ' ' service providers to scale up their activities on a cross-border basis and will give rise /' '\

6433 '6433' ' ' /'783/' ' ' to regulatory arbitrage. the crypto-asset market is still modest in size and does not yet /' '\

6434 '6434' ' ' /'784/' ' ' pose a threat to financial stability. it is, however, likely that a subset of crypto-assets/' '\

6435 '6435' ' ' /'785/' ' ' which aim to stabilise their price by linking their value to a specific asset or a basket /' '\

6436 '6436' ' ' /'786/' ' ' of assets could be widely adopted by consumers. such a development could raise/' '\

6437 '6437' ' ' /'787/' ' ' additional challenges to financial stability, monetary policy transmission or monetary/' '\

6438 '6438' ' ' /'788/' ' ' sovereignty./' '\

6439 '6439' ' ' Back'\

6440 '6440' ' ' EUComm\\_Proposal\\_MiCA\\_2020\\_0265 [ 73741: 74348]'\



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6441 '6441' ' financial services. such legislation should also contribute to the/' '\
6442 '6442' ' /'821/' ' objective of combating money laundering and the financing of terrorism. any/' '\
6443 '6443' ' /'822/' ' definition of crypto-assets should therefore correspond to the definition of virtual/'
'\
6444 '6444' ' /'823/' ' assets set out in the recommendations of the financial action task force (fatf)34./' '\
6445 '6445' ' /'824/' ' for the same reason, any list of crypto-asset services should also encompass virtual/' '\
6446 '6446' ' /'825/' ' asset services that are likely to raise money-laundering concerns and that are identified
/' '\
6447 '6447' ' /'826/' ' as such by the fatf./' '\
6448 '6448' ' Back'\
6449 '6449' ' EUComm\_Proposal\_MiCA\_2020\_0265 [115807:118174]' '\
6450 '6450' ' (53) to facilitate transparency for holders of crypto-assets as regards the provision of/' '\
6451 '6451' ' /'1268/' ' crypto-asset services, esma should establish a register of crypto-asset service/' '\
6452 '6452' ' /'1269/' ' en 25 en/' '\
6453 '6453' ' /'1270/' ' /' '\
6454 '6454' ' /'1271/' ' providers, which should include information on the entities authorised to provide those/'
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6456 '6456' '
6457 '6457' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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6458 '6458' ' /'1272/' ' services across the union. that register should also include the crypto-asset white/' '\
6459 '6459' ' /'1273/' ' papers notified to competent authorities and published by issuers of crypto-assets./' '\
6460 '6460' ' /'1274/' ' (54) some firms subject to union legislation on financial services should be allowed to/'
'\
6461 '6461' ' /'1275/' ' provide crypto-asset services without prior authorisation. credit institutions
authorised/' '\
6462 '6462' ' /'1276/' ' under directive 2013/36/eu should not need another authorisation to provide crypto-/' '\
6463 '6463' ' /'1277/' ' asset services. investment firms authorised under directive 2014/65/eu to provide one/'
'\
6464 '6464' ' /'1278/' ' or several investment services as defined under that directive similar to the crypto-/'
'\
6465 '6465' ' /'1279/' ' asset services they intend to provide should also be allowed to provide crypto-asset/'
'\
6466 '6466' ' /'1280/' ' services across the union without another authorisation./' '\
6467 '6467' ' /'1281/' ' (55) in order to ensure consumer protection, market integrity and financial stability,
crypto-/' '\
6468 '6468' ' /'1282/' ' asset service providers should always act honestly, fairly and professionally in the
best/' '\
6469 '6469' ' /'1283/' ' interest of their clients. crypto-asset services should be considered financial
services /' '\
6470 '6470' ' /'1284/' ' as defined in directive 2002/65/ec of the european parliament and of the council 42./'
'\
6471 '6471' ' /'1285/' ' where marketed at distance, the contracts between crypto-asset service providers and/'
'\
6472 '6472' ' /'1286/' ' consumers should be subject to that directive. crypto-asset service providers should/'
'\
6473 '6473' ' /'1287/' ' provide their clients with clear, fair and not misleading information and warn them/' '\
6474 '6474' ' /'1288/' ' about the risks associated with crypto-assets. crypto-asset service providers should/'
'\
6475 '6475' ' /'1289/' ' make their pricing policies public, should establish a complaint handling procedure/' '\
6476 '6476' ' /'1290/' ' and should have a robust policy to identify, prevent, manage and disclose conflicts of/'
'\
6477 '6477' ' /'1291/' ' interest./' '\
6478 '6478' ' Back'\
6479 '6479' ' EUComm\_Proposal\_MiCA\_2020\_0265 [147723:148388]' '\
6480 '6480' ' where providing one or more crypto-asset services, credit institutions authorised/' '\
6481 '6481' ' /'1618/' ' under directive 2013/36/eu shall not be subject to the provisions of chapter i of/' '\
6482 '6482' ' /'1619/' ' title v, except articles 57 and 58./' '\
6483 '6483' ' /'1620/' ' 6. investment firms authorised under directive 2014/65/eu shall not be subject to the/'
'\
6484 '6484' ' /'1621/' ' provisions of chapter i of title v, except articles 57, 58, 60 and 61, where they only/'
'\
6485 '6485' ' /'1622/' ' provide one or several crypto-asset services equivalent to the investment services and/'
'\
6486 '6486' ' /'1623/' ' activities for which they are authorised under directive 2014/65/eu. for that/' '\
6487 '6487' ' /'1624/' ' purpose:/' '\
6488 '6488' '192 of 218
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6489 '6489' '
6490 '6490' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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6491 '6491' ' Back'\
6492 '6492' ' EUComm\_Proposal\_MiCA\_2020\_0265 [122237:124961]' '\
6493 '6493' ' (60) to ensure an orderly functioning of crypto-asset markets, crypto-asset service/' '\

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6494 '6494' ' ' providers operating a trading platform for crypto-assets should have detailed operating/  
 6495 '6495' ' ' rules, should ensure that their systems and procedures are sufficiently resilient and/'  
 6496 '6496' ' ' should be subject to pre-trade and post-trade transparency requirements adapted to the/'  
 6497 '6497' ' ' crypto-asset market. crypto-asset service providers should ensure that the trades/'  
 6498 '6498' ' ' executed on their trading platform for crypto-assets are settled and recorded on the/'  
 6499 '6499' ' ' dlt swiftly. crypto-asset service providers operating a trading platform for crypto-/'  
 6500 '6500' ' ' assets should also have a transparent fee structure for the services provided to avoid/'  
 6501 '6501' ' ' the placing of orders that could contribute to market abuse or disorderly trading/'  
 6502 '6502' ' ' conditions./''  
 6503 '6503' ' ' (61) to ensure consumer protection, crypto-asset service providers that exchange crypto  
 6504 '6504' ' ' assets against fiat currencies or other crypto-assets by using their own capital should/  
 6505 '6505' ' ' establish a non-discriminatory commercial policy. they should publish either firm/'  
 6506 '6506' ' ' quotes or the method they are using for determining the price of crypto-assets they/'  
 6507 '6507' ' ' wish to buy or sell. they should also be subject to post-trade transparency/'  
 6508 '6508' ' ' requirements. crypto-asset service providers that execute orders for crypto-assets on/'  
 6509 '6509' ' ' behalf of third parties should establish an execution policy and should always aim at/'  
 6510 '6510' ' ' obtaining the best result possible for their clients. they should take all necessary  
 6511 '6511' ' ' steps/'  
 6512 '6512' ' ' to avoid the misuse of information related to clients orders by their employees./''  
 6513 '6513' ' ' crypto-assets service providers that receive orders and transmit those orders to other/'  
 6514 '6514' ' ' crypto-asset service providers should implement procedures for the prompt and proper/'  
 6515 '6515' ' ' sending of those orders. crypto-assets service providers should not receive any/'  
 6516 '6516' ' ' monetary or non-monetary benefits for transmitting those orders to any particular/'  
 6517 '6517' ' ' trading platform for crypto-assets or any other crypto-asset service providers./''  
 6518 '6518' ' ' (62) crypto-asset service providers that place crypto-assets for potential users should/  
 6519 '6519' ' ' communicate to those persons information on how they intend to perform their service/'  
 6520 '6520' ' ' before the conclusion of a contract. they should also put in place specific measures to/  
 6521 '6521' ' ' 193 of 218  
 6522 '6522' ' ' 6/09/2021, 1:01 am''  
 6523 '6523' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
 6524 '6524' ' ' UoM\Masters/Study/Mast... ''  
 6525 '6525' ' ' '1363/' ' prevent conflicts of interest arising from that activity./''  
 6526 '6526' ' ' Back''  
 6527 '6527' ' ' EUComm\Proposal\MiCA\2020\0265 [363143:363905]''  
 6528 '6528' ' ' . crypto-asset service providers that are authorised for the custody and administration/'  
 6529 '6529' ' ' of crypto-assets on behalf of third parties shall segregate holdings on behalf of their/  
 6530 '6530' ' ' clients from their own holdings. they shall ensure that, on the dlt, their clients /''  
 6531 '6531' ' ' crypto-assets are held on separate addresses from those on which their own crypto-/'  
 6532 '6532' ' ' assets are held./''  
 6533 '6533' ' ' 8. crypto-asset service providers that are authorised for the custody and administration  
 6534 '6534' ' ' of crypto-assets on behalf of third parties shall be liable to their clients for loss of  
 6535 '6535' ' ' crypto-assets as a resulting from a malfunction or hacks up to the market value of the/'  
 6536 '6536' ' ' crypto-assets lost./''  
 6537 '6537' ' ' Back''  
 6538 '6538' ' ' EUComm\Proposal\MiCA\2020\0265\Annexes [ 1923: 2313]''  
 6539 '6539' ' ' part b: information about the project/'  
 6540 '6540' ' ' '31/' ' 1. name of the project or the crypto-assets (if different than the issuer's name);/'  
 6541 '6541' ' ' '32/' ' 2. details of all natural or legal persons (including addresses and/or domicile of the/'  
 6542 '6542' ' ' company) involved in project implementation, such as advisors, development team/'  
 6543 '6543' ' ' and crypto-asset service providers;/'  
 6544 '6544' ' ' Back''  
 6545 '6545' ' ' EUComm\Proposal\MiCA\2020\0265\Annexes [ 5854: 6028]''  
 6546 '6546' ' ' where applicable, name of the crypto-asset service provider in charge of the/'  
 6547 '6547' ' ' placement of crypto-assets and the form of such placement (guaranteed or not);/'  
 6548 '6548' ' ' Back''

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6547 '6547' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 12819: 13053] '\\
6548 '6548' ' a description of the custody arrangements for the reserve assets, including the/' '\\
6549 '6549' ' /'164/' /' segregation of assets, the name of credit institutions or crypto-asset service providers/
        '\\
6550 '6550' ' /'165/' /' appointed as custodians./' '\\
6551 '6551' ' Back' '\\
6552 '6552' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 14669: 14701] '\\
6553 '6553' ' crypto-asset service providers;/' '\\
6554 '6554' ' Back' '\\
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6556 '6556' ' '
6557 '6557' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\\
6558 '6558' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 47055: 47374] '\\
6559 '6559' ' the issuer infringes article 41(2) by not ensuring that its significant e-money tokens/' '\\
6560 '6560' ' /'569/' /' can be held in custody by different crypto-asset service providers authorised for the/'
        '\\
6561 '6561' ' /'570/' /' service referred to in article 3(1) point (10), on a fair, reasonable and non-/' '\\
6562 '6562' ' /'571/' /' discriminatory basis./' '\\
6563 '6563' ' Back' '\\
6564 '6564' ' EUParl\_Directive\_AMLDV\_2018\_843 [ 9600: 9978] '\\
6565 '6565' ' /'86/' /' currency environment will remain anonymous because users can also transact without such '
6566 '6566' ' providers. to combat/' '\\
6567 '6567' ' /'87/' /' the risks related to the anonymity, national financial intelligence units (fius) should be
        able to '
6568 '6568' ' obtain information/' '\\
6569 '6569' ' /'88/' /' allowing them to associate virtual currency addresses to the identity of the owner of
        virtual '
6570 '6570' ' currency.'
6571 '6571' ' Back' '\\
6572 '6572' ' EUParl\_Directive\_AMLDV\_2018\_843 [ 7846: 8245] '\\
6573 '6573' ' providers engaged in exchange services between virtual currencies and fiat currencies (that is to
        say coins '
6574 '6574' ' and/' '\\
6575 '6575' ' /'73/' /' banknotes that are designated as legal tender and electronic money, of a country, accepted
        as a '
6576 '6576' ' medium of/' '\\
6577 '6577' ' /'74/' /' exchange in the issuing country) as well as custodian wallet providers are under no union '
6578 '6578' ' obligation to/' '\\
6579 '6579' ' /'75/' /' identify suspicious activity.'
6580 '6580' ' Back' '\\
6581 '6581' ' EUParl\_Directive\_AMLDV\_2018\_843 [ 62634: 64328] '\\
6582 '6582' ' (1) point (3) of article 2(1) is amended as follows:/' '\\
6583 '6583' ' /'519/' /' (a) point (a) is replaced by the following:/' '\\
6584 '6584' ' /'520/' /' (a) auditors, external accountants and tax advisors, and any other person that
        undertakes to '
6585 '6585' ' provide, directly or/' '\\
6586 '6586' ' /'521/' /' by means of other persons to which that other person is related, material aid, assistance
        or advice '
6587 '6587' ' on tax/' '\\
6588 '6588' ' /'522/' /' matters as principal business or professional activity; /' '\\
6589 '6589' ' /'523/' /' (b) point (d) is replaced by the following:/' '\\
6590 '6590' ' /'524/' /' (d) estate agents including when acting as intermediaries in the letting of immovable
        property, '
6591 '6591' ' but only in/' '\\
6592 '6592' '195 of 218
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6593 '6593' ' '
6594 '6594' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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6595 '6595' ' /'525/' /' relation to transactions for which the monthly rent amounts to eur 10 000 or more; /' '\\
6596 '6596' ' /'526/' /' (c) the following points are added:/' '\\
6597 '6597' ' /'527/' /' (g) providers engaged in exchange services between virtual currencies and fiat
        currencies;/' '\\
6598 '6598' ' /'528/' /' (h) custodian wallet providers;/' '\\
6599 '6599' ' /'529/' /' (i) persons trading or acting as intermediaries in the trade of works of art, including
        when this is '
6600 '6600' ' carried out by/' '\\
6601 '6601' ' /'530/' /' art galleries and auction houses, where the value of the transaction or a series of
        linked '
6602 '6602' ' transactions/' '\\
6603 '6603' ' /'531/' /' amounts to eur 10 000 or more;/' '\\
6604 '6604' ' /'532/' /' (j) persons storing, trading or acting as intermediaries in the trade of works of art
        when this is '
6605 '6605' ' carried out by/' '\\

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6606 '6606' ' /'533/' /' free ports , where the value of the transaction or a series of linked transactions amounts  
to eur 10'

6607 '6607' ' 000 or/' '\

6608 '6608' ' /'534/' /' more. ;/' '\

6609 '6609' ' Back'\

6610 '6610' ' EUParl\\_Directive\\_AMLDV\\_2018\\_843 [129360:129823] '\

6611 '6611' ' (29) in article 47, paragraph 1 is replaced by the following:/' '\

6612 '6612' ' /'1154/' /' 1. member states shall ensure that providers of exchange services between virtual  
currencies and'

6613 '6613' ' fiat currencies,/' '\

6614 '6614' ' /'1155/' /' and custodian wallet providers , are registered , that currency exchange and cheque  
cashing '

6615 '6615' ' offices , and trust or/' '\

6616 '6616' ' /'1156/' /' company service providers are licensed or registered , and that providers of gambling  
services are '

6617 '6617' ' regulated. ;/' '\

6618 '6618' ' Back'\

6619 '6619' ' MaltaParl\\_2018\\_ITAS\\_Act [ 4526: 4564] '\

6620 '6620' ' innovative technology service provider '

6621 '6621' ' Back'\

6622 '6622' ' MaltaParl\\_2018\\_ITAS\\_Act [ 33136: 33485] '\

6623 '6623' ' (7) the innovative technology services providers referred to/' '\

6624 '6624' ' /'446/' /'above shall be appointed by any person who is an applicant,/' '\

6625 '6625' ' /'447/' /'developer or owner of the innovative technology arrangement or in/' '\

6626 '6626' ' /'448/' /'case the innovative technology arrangement is held within a legal/' '\

6627 '6627' ' /'449/' /'organisation , by the legal representative of the organisation./' '\

6628 '6628' ' Back'\

6629 '6629' '196 of 218

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6630 '6630' ' '

6631 '6631' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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6632 '6632' ' MaltaParl\\_2018\\_ITAS\\_Act [ 36037: 36970] '\

6633 '6633' ' (5) once registered , a service provider shall be granted a/' '\

6634 '6634' ' /'487/' /' certificate of registration which shall state its name and address and/' '\

6635 '6635' ' /'488/' /' have a unique number for purposes of identification and shall list the/' '\

6636 '6636' ' /'489/' /' class or classes of services which the applicant has been registered to/' '\

6637 '6637' ' /'490/' /' provide./' '\

6638 '6638' ' /'491/' /' (6) the registered service provider shall post the certificate/' '\

6639 '6639' ' /'492/' /' of registration on its website , if it has one , as well as on any/' '\

6640 '6640' ' /'493/' /' innovative technology arrangement to which it renders its services/' '\

6641 '6641' ' /'494/' /' and this shall be posted thereon in an easily accessible and legible/' '\

6642 '6642' ' /'495/' /' format so it can be viewed and understood by all users of the/' '\

6643 '6643' ' /'496/' /' innovative technology arrangement./' '\

6644 '6644' ' Back'\

6645 '6645' ' MaltaParl\\_2018\\_ITAS\\_Act [ 38559: 39515] '\

6646 '6646' ' (2) the authority may register any innovative technology/' '\

6647 '6647' ' /'518/' /' service provider when it is satisfied that the innovative technology/' '\

6648 '6648' ' /'519/' /' service provider:/' '\

6649 '6649' ' /'520/' /' (a) is fit and proper for the provision of the services/' '\

6650 '6650' ' /'521/' /' it declares he is providing or intends to provide and , when/' '\

6651 '6651' ' /'522/' /' organised as a legal organisation , any shareholder holding/' '\

6652 '6652' ' /'523/' /' more than twenty-five per cent (25%) of the voting shares/' '\

6653 '6653' ' /'524/' /' shall be a fit and proper person and any administrator of such/' '\

6654 '6654' ' /'525/' /' legal organisation shall be a fit and proper person to carry out/' '\

6655 '6655' ' /'526/' /' such activities or functions or the role such person has/' '\

6656 '6656' ' /'527/' /' assumed with regard to the legal organisation;/' '\

6657 '6657' ' Back'\

6658 '6658' ' MaltaParl\\_2018\\_ITAS\\_Act [ 40387: 40554] '\

6659 '6659' ' (3) the authority shall not register an innovative/' '\

6660 '6660' ' /'542/' /'technology service provider if the circumstances referred to in article/' '\

6661 '6661' ' /'543/' /'29 of the mdia act arise./' '\

6662 '6662' ' Back'\

6663 '6663' '197 of 218

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6664 '6664' ' '

6665 '6665' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/  
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6666 '6666' ' MaltaParl\\_2018\\_ITAS\\_Act [ 41255: 41597] '\

6667 '6667' ' (6) innovative technology service providers registered /' '\

6668 '6668' ' /'555/' /' /' '\

6669 '6669' ' /'556/' /'under the provisions of this article shall be considered to be /' '\

6670 '6670' ' /'557/' /'professionals who act as fiduciaries in relation to the information '

6671 '6671' ' Back'\

6672 '6672' ' MaltaParl\\_2018\\_ITAS\\_Act [ 42398: 43029] '\

6673 '6673' ' act , shall respect the following principles of best practice in relation/' '\

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6674 '6674' ' /'567/' /'to his or its activities./''\\
6675 '6675' ' /'568/' /' (2) in carrying on its operations , it shall:/'''\\
6676 '6676' ' /'569/' /' (a) conduct its business with honesty and integrity;/'''\\
6677 '6677' ' /'570/' /' (b) pay due regard to the rights , interests and needs/'''\\
6678 '6678' ' /'571/' /' of each and all its customers and must communicate with them/'''\\
6679 '6679' ' /'572/' /' in a way that is fair , clear and not misleading;/'''\\
6680 '6680' ' /'573/' /' (c) manage and control its business effectively , and/'''\\
6681 '6681' ' /'574/' /' conduct its business with due skill , care and diligence; and/'''\\
6682 '6682' ' Back'\\
6683 '6683' ' MaltaParl\_2018\_MDIA\_Act [ 15299: 15531]''\\
6684 '6684' ' (k) to promote transparency and auditability in the/'''\\
6685 '6685' ' /'212/' /'use of innovative technology arrangements , and any/'''\\
6686 '6686' ' /'213/' /'application , software , or derivative product from it or/'''\\
6687 '6687' ' /'214/' /'intrinsically part of or connected to it;/'''\\
6688 '6688' ' Back'\\
6689 '6689' ' MaltaParl\_2018\_MDIA\_Act [ 70239: 71178]''\\
6690 '6690' ' /'innovative technology service provider under this act or under any/'''\\
6691 '6691' ' /'907/' /'other special law which the authority is entitled to administer or/'''\\
6692 '6692' ' /'908/' /'enforce , and thereafter to consider the continuing suitability of the/'''\\
6693 '6693' ' /'909/' /'innovative technology arrangement or the innovative technology/'''\\
6694 '6694' ' /'910/' /'service provider to continue to hold any authorisation:/'''\\
6695 '6695' ' /'911/' /' provided that the authority shall from time to time state/'''\\
6696 '6696' '198 of 218
6697 '6697' ' 6/09/2021 , 1:01 am'\\
6697 '6697' ' '
6698 '6698' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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6699 '6699' ' /'912/' /'by notice what information , documentation and assurances will/'''\\
6700 '6700' ' /'913/' /'generally be required from any applicant so that applicants will be/'''\\
6701 '6701' ' /'914/' /'able to establish such requirements in advance of any application/'''\\
6702 '6702' ' /'915/' /'they may wish to submit./''''\\
6703 '6703' ' /'916/' /' (2) rules shall be prescribed by the authority in relation to/'''\\
6704 '6704' ' /'917/' /'all forms of recognition it may be empowered to grant or issue under/'''\\
6705 '6705' ' /'918/' /'any other special law which the authority is entitled to administer or/'''\\
6706 '6706' ' /'919/' /'enforce./''''\\
6707 '6707' ' Back'\\
6708 '6708' ' MaltaParl\_2018\_MDIA\_Act [ 73051: 74810]''\\
6709 '6709' ' him , or the provisions of any other law which has mandatory/'''\\
6710 '6710' ' /'946/' /' application to the applicant or his activities in the specific/'''\\
6711 '6711' ' /'947/' /' context , as well as any conditions established by the authority/'''\\
6712 '6712' ' /'948/' /' in the particular case; or/'''\\
6713 '6713' ' /'949/' /' (b) it may grant an innovative technology/'''\\
6714 '6714' ' /'950/' /' arrangements authorisation when it is satisfied that the/'''\\
6715 '6715' ' /'951/' /' innovative technology arrangement is fit and proper and will/'''\\
6716 '6716' ' /'952/' /' comply with and observe any innovative technology/'''\\
6717 '6717' ' /'953/' /' authorisation rules and regulations made under this act or any/'''\\
6718 '6718' ' /'954/' /' other special law which the authority is entitled to administer/'''\\
6719 '6719' ' /'955/' /' or enforce and applicable to it , as well as any conditions/'''\\
6720 '6720' ' /'956/' /' established by the authority in the particular case,/''''\\
6721 '6721' ' /'957/' /' and reference hereafter to the term //'innovative technology/'''\\
6722 '6722' ' /'958/' /' authorisation//' shall encompass all types of recognition and/'''\\
6723 '6723' ' /'959/' /' authorisations , whether for services or for arrangements , and/'''\\
6724 '6724' ' /'960/' /' reference hereafter to the term //'innovative technology authorisation/'''\\
6725 '6725' ' /'961/' /' rules//' shall encompass all sets of rules and each shall be interpreted/'''\\
6726 '6726' ' /'962/' /' as the context shall require./''''\\
6727 '6727' ' /'963/' /' such recognition and authorisations may be issued on the/'''\\
6728 '6728' ' /'964/' /' voluntary application of innovative technology service providers or/'''\\
6729 '6729' '199 of 218
6730 '6730' ' 6/09/2021
6731 '6731' ' , 1:01 am'\\
6730 '6730' ' '
6731 '6731' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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6732 '6732' ' /'965/' /' the technical administrators or other persons involved in any/'''\\
6733 '6733' ' /'966/' /' innovative technology arrangements./''''\\
6734 '6734' ' Back'\\
6735 '6735' ' MaltaParl\_2018\_MDIA\_Act [ 77213: 77567]''\\
6736 '6736' ' every innovative technology service authorisation shall/'''\\
6737 '6737' ' /'1001/' /'specify the innovative technology service which the holder thereof/'''\\
6738 '6738' ' /'1002/' /'has been recognised as being able to provide and any innovative/'''\\
6739 '6739' ' /'1003/' /'technology arrangement authorisation shall specify the innovative/'''\\
6740 '6740' ' /'1004/' /'technology arrangement which has been recognised or authorised./''''\\
6741 '6741' ' Back'\\
6742 '6742' ' MaltaParl\_2018\_MDIA\_Act [ 84487: 85326]''\\
6743 '6743' ' (1) the authority may , in furtherance of the further powers of/'''\\
6744 '6744' ' /'1093/' /'regulatory objectives under this act or any other special law which the authority./''''\\
6745 '6745' ' /'1094/' /'the authority is entitled to administer or enforce and in applying a/'''\\

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6746 '6746' ' ' /'1095/' /'risk-based approach in line with the governing principles:/''\\
6747 '6747' ' ' /'1096/' /' (a) establish, where appropriate or necessary, by/'''\\
6748 '6748' ' ' /'1097/' /' means of binding instruments, more extensive, reduced or/'''\\
6749 '6749' ' ' /'1098/' /' amended requirements for an applicant to qualify for/'''\\
6750 '6750' ' ' /'1099/' /' recognition or an authorisation in certain pre-defined/'''\\
6751 '6751' ' ' /'1100/' /' circumstances; and, or/'''\\
6752 '6752' ' ' /'1101/' /' (b) impose on an applicant, where appropriate or/'''\\
6753 '6753' ' ' /'1102/' /' necessary, specific additional requirements by means of a/'''\\
6754 '6754' ' ' /'1103/' /' binding instrument./''\\
6755 '6755' ' ' Back''\\
6756 '6756' ' ' MaltaParl\_2018\_MDIA\_Act [101284:101988]''\\
6757 '6757' ' ' malta digital innovation authority/'''\\
6758 '6758' ' ' /'1310/' /' (h) after proper communication and investigation, at/'''\\
6759 '6759' ' ' /'1311/' /' the written request of another national competent authority as/'''\\
6760 '6760' ' ' /'1312/' /' well as the financial intelligence analysis unit acting under/'''\\
6761 '6761' ' ' /'1313/' /' cap. 373./''\\
6762 '6762' ' ' /'1314/' /' the prevention of money laundering act which is carrying out/'''\\
6763 '6763' '200 of 218
6/09/2021, 1:01 am''\\
6764 '6764' ' '
6765 '6765' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast...''\\
6766 '6766' ' ' /'1315/' /' regulatory functions in relation to the relevant innovative/'''\\
6767 '6767' ' ' /'1316/' /' technology services authorisation holder simultaneously with/'''\\
6768 '6768' ' ' /'1317/' /' the authority./''\\
6769 '6769' ' ' Back''\\
6770 '6770' ' ' MaltaParl\_2018\_MDIA\_Act [120132:120623]''\\
6771 '6771' ' ' /'innovative technology authorisation holder who, in carrying out the/'''\\
6772 '6772' ' ' /'1543/' /' authorised services, may review or receive information as described/'''\\
6773 '6773' ' ' /'1544/' /' in the proviso to sub-article (1). such innovative technology/'''\\
6774 '6774' ' ' /'1545/' /' authorisation holder shall not be required to provide information to/'''\\
6775 '6775' ' ' /'1546/' /' the authority if such information was obtained under confidence or/'''\\
6776 '6776' ' ' /'1547/' /' under non-disclosure obligations whilst carrying out his functions for/'''\\
6777 '6777' ' ' /'1548/' /' the benefit of any applicant./''\\
6778 '6778' ' ' Back''\\
6779 '6779' ' ' MaltaParl\_2018\_MDIA\_Act [111446:112112]''\\
6780 '6780' ' ' rpose of this act./''\\
6781 '6781' ' ' /'1433/' /' notification of 36. (1) where the authority proposes to refuse an/'''\\
6782 '6782' ' ' /'1434/' /' proposed refusal./''\\
6783 '6783' ' ' /'1435/' /' revocation, application for an innovative technology authorisation or to cancel or/'''\\
6784 '6784' ' ' /'1436/' /' cancellation or suspend an innovative technology authorisation, it shall give the/'''\\
6785 '6785' ' ' /'1437/' /' suspension of an/'''\\
6786 '6786' ' ' /'1438/' /' innovative applicant or, as the case may be, the innovative technology/'''\\
6787 '6787' ' ' /'1439/' /' technology authorisation holder, notice in writing of its intention to do so, setting/'''\\
\\
6788 '6788' ' ' /'1440/' /' authorisation./''\\
6789 '6789' ' ' /'1441/' /' out the reasons for the decision it proposes to take./''\\
6790 '6790' ' ' Back''\\
6791 '6791' ' ' MaltaParl\_2018\_VFA\_Act [ 3153: 3360]''\\
6792 '6792' ' ' //client/' means any natural or legal person to whom a vfa/'''\\
6793 '6793' ' ' /'49/' /' service is provided, and shall include any person whose assets/'''\\
6794 '6794' ' ' /'50/' /' are held under the control of a subject person;/'''\\
6795 '6795' ' ' Back''\\
6796 '6796' ' ' MaltaParl\_2018\_VFA\_Act [ 23752: 24032]''\\
6797 '6797' '201 of 218
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6798 '6798' ' '
6799 '6799' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast...''\\
6800 '6800' ' ' vfaa class 4 licence holders authorised to provide any vfa/'''\\
6801 '6801' ' ' /'339/' /' service. class 4 licence holders may hold or/'''\\
6802 '6802' ' ' /'340/' /' control clients assets or money in conjunction with/'''\\
6803 '6803' ' ' /'341/' /' the provision of a vfa service./''\\
6804 '6804' ' ' Back''\\
6805 '6805' ' ' MaltaParl\_2018\_VFA\_Act [ 23403: 23744]''\\
6806 '6806' ' ' vfaa class 3 licence holders authorised to provide any vfa/'''\\
6807 '6807' ' ' /'334/' /' service but not to operate a vfa exchange. class 3/'''\\
6808 '6808' ' ' /'335/' /' licence holders may hold or control clients assets/'''\\
6809 '6809' ' ' /'336/' /' or money in conjunction with the provision of a/'''\\
6810 '6810' ' ' /'337/' /' vfa service./''\\
6811 '6811' ' ' Back''\\
6812 '6812' ' ' 8 Codings of /'virtual/' from 3 files.'''\\
6813 '6813' ' ' EUParl\_AML\_Criminal\_2018\_1673 [ 6327: 6547]''\\
6814 '6814' ' ' (6) the use of virtual currencies presents new risks and challenges from the perspective of
combating '
6815 '6815' ' ' money/'''\\
6816 '6816' ' ' /'57/' /' laundering. member states should ensure that those risks are addressed appropriately./''\\

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6817 '6817' ' Back'\'

6818 '6818' ' EUPar\Directive\\_AMLDV\\_2018\\_843 [ 67895: 68117]'\'

6819 '6819' ' (19) **custodian wallet provider means an entity that provides services to safeguard private cryptographic** keys/'\'

6820 '6820' ' /'575/' /' on behalf of its customers, to hold, store and transfer virtual currencies. ;/'\'

6821 '6821' ' /'575/' /' on behalf of its customers, to hold, store and transfer virtual currencies. ;/'\'

6822 '6822' ' Back'\'

6823 '6823' ' EUPar\Directive\\_AMLDV\\_2018\\_843 [ 9217: 11609]'\'

6824 '6824' ' (9) the anonymity of virtual currencies allows their potential misuse for criminal purposes. the inclusion' of providers/'\'

6825 '6825' ' of providers/'\'

6826 '6826' ' /'84/' /' engaged in exchange services between virtual currencies and fiat currencies and custodian wallet' providers will not/'\'

6827 '6827' ' providers will not/'\'

6828 '6828' ' /'85/' /' entirely address the issue of anonymity attached to virtual currency transactions, as a large part of' the virtual/'\'

6829 '6829' ' the virtual/'\'

6830 '6830' ' /'86/' /' currency environment will remain anonymous because users can also transact without such'

6831 '6831' '202 of 218 6/09/2021, 1:01 am'\'

6832 '6832' ' file:///C:/Users/benwa/Documents/Studium/

6833 '6833' 'Codings created by RQDA. UoM\Masters/Study/Mast... '\'

6834 '6834' ' providers. to combat/'\'

6835 '6835' ' /'87/' /' the risks related to the anonymity, national financial intelligence units (fius) should be able to' obtain information/'\'

6836 '6836' ' obtain information/'\'

6837 '6837' ' /'88/' /' allowing them to associate virtual currency addresses to the identity of the owner of virtual' currency. in addition,/'\'

6838 '6838' ' currency. in addition,/'\'

6839 '6839' ' /'89/' /' the possibility to allow users to self-declare to designated authorities on a voluntary basis should be' further/'\'

6840 '6840' ' further/'\'

6841 '6841' ' /'90/' /' assessed./'\'

6842 '6842' ' /'91/' /' '\'

6843 '6843' ' /'92/' /'19.6.2018 en official journal of the european union l 156/45/'\'

6844 '6844' ' /'93/' /' (10) virtual currencies should not to be confused with electronic money as defined in point (2) of' article 2 of directive/'\'

6845 '6845' ' article 2 of directive/'\'

6846 '6846' ' /'94/' /' 2009/110/ec of the european parliament and of the council (1), with the larger concept of funds as' defined in/'\'

6847 '6847' ' defined in/'\'

6848 '6848' ' /'95/' /' point (25) of article 4 of directive (eu) 2015/2366 of the european parliament and of the council (2), ' nor with/'\'

6849 '6849' ' nor with/'\'

6850 '6850' ' /'96/' /' monetary value stored on instruments exempted as specified in points (k) and (l) of article 3 of' directive (eu)/'\'

6851 '6851' ' directive (eu)/'\'

6852 '6852' ' /'97/' /' 2015/2366, nor with in-games currencies, that can be used exclusively within a specific game' environment./'\'

6853 '6853' ' environment./'\'

6854 '6854' ' /'98/' /' although virtual currencies can frequently be used as a means of payment, they could also be used' for other/'\'

6855 '6855' ' for other/'\'

6856 '6856' ' /'99/' /' purposes and find broader applications such as means of exchange, investment, store-of-value' products or use in/'\'

6857 '6857' ' products or use in/'\'

6858 '6858' ' /'100/' /' online casinos. the objective of this directive is to cover all the potential uses of virtual' currencies./'\'

6859 '6859' ' currencies./'\'

6860 '6860' ' /'101/' /' (11) local currencies, also known as complementary currencies, that are used in very limited' networks such as a city or/'\'

6861 '6861' ' networks such as a city or/'\'

6862 '6862' ' /'102/' /' a region and among a small number of users should not be considered to be virtual currencies./'\'

6863 '6863' ' Back'\'

6864 '6864' ' EUPar\Directive\\_AMLDV\\_2018\\_843 [ 18726: 19259]'\'

6865 '6865' ' **member states should endeavour to ensure a more efficient and coordinated approach to deal with/'\'**

6866 '6866' ' /'162/' /' financial investigations related to terrorism, including those related to the misuse of virtual' currencies. the current/'\'

6867 '6867' ' currencies. the current/'\'

6868 '6868' ' /'163/' /' differences should however not affect an fiu s activity, particularly its capacity to develop' preventive analyses in/'\'

6869 '6869' ' preventive analyses in/'\'

6870 '6870' '203 of 218 6/09/2021, 1:01 am'\'

6871 '6871' ' 6/09/2021, 1:01 am'\'



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6872 '6872' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\
6873 '6873' ' /'164/' /' support of all the authorities in charge of intelligence , investigative and judicial
      activities , and'
6874 '6874' ' international/' '\
6875 '6875' ' /'165/' /' cooperation.'
6876 '6876' ' Back'\
6877 '6877' ' EUParl\_Directive\_AMLDV\_2018\_843 [ 63541: 63607] '\
6878 '6878' ' exchange services between virtual currencies and fiat currencies;/' '\
6879 '6879' ' Back'\
6880 '6880' ' EUParl\_Directive\_AMLDV\_2018\_843 [129494:129560] '\
6881 '6881' ' exchange services between virtual currencies and fiat currencies;/' '\
6882 '6882' ' Back'\
6883 '6883' ' EUParl\_Directive\_AMLDV\_2018\_843 [155027:155661] '\
6884 '6884' ' the first report , to be published by 11 january 2022 , shall be accompanied , if necessary , by
      appropriate'
6885 '6885' ' legislative/' '\
6886 '6886' ' /'1391/' /' proposals , including , where appropriate , with respect to virtual currencies ,
      empowerments to set—'
6887 '6887' ' up and maintain a/' '\
6888 '6888' ' /'1392/' /' central database registering users identities and wallet addresses accessible to fuis ,
      as well as'
6889 '6889' ' self-declaration forms/' '\
6890 '6890' ' /'1393/' /' for the use of virtual currency users , and to improve cooperation between asset recovery
      offices'
6891 '6891' ' of the member/' '\
6892 '6892' ' /'1394/' /' states and a risk-based application of the measures referred to in point (b) of article
      20./' '\
6893 '6893' ' Back'\
6894 '6894' ' MaltaPart\_2018\_MDIA\_Act [ 37179: 37771] '\
6895 '6895' ' to be a user and hold any wallet , account or other/' '\
6896 '6896' ' /'496/' /' facility in relation to any form of digital assets in order to be/' '\
6897 '6897' ' /'497/' /' able to carry out regulatory compliance functions , including;/' '\
6898 '6898' ' /'498/' /' inter alia , to access information within the particular/' '\
6899 '6899' ' /'499/' /' arrangement which is recognised under this act or any other/' '\
6900 '6900' ' /'500/' /' special law which the authority is entitled to administer or/' '\
6901 '6901' ' /'501/' /' enforce; and/' '\
6902 '6902' ' Back'\
6903 '6903' ' 11 Codings of /'virtual\_financial\_asset/' from 4 files.' '\
6904 '6904' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [13188:17483] '\
6905 '6905' '204 of 218

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6906 '6906' ''
6907 '6907' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... '\
6908 '6908' ' annex iii: whitepaper applicable to issuers of e-money tokens minimum content/' '\
6909 '6909' ' /'169/' /' part a: general information about the issuer/' '\
6910 '6910' ' /'170/' /' 1. issuer s name;/' '\
6911 '6911' ' /'171/' /' 2. registered address;/' '\
6912 '6912' ' /'172/' /' 3. date of the registration;/' '\
6913 '6913' ' /'173/' /' 4. legal entity identifier;/' '\
6914 '6914' ' /'174/' /' 5. where applicable , the group of undertakings to which the issuer belongs;/' '\
6915 '6915' ' /'175/' /' 6. identity , address and functions of persons belonging to the management body of the/'
      '\
6916 '6916' ' /'176/' /' issuer;/' '\
6917 '6917' ' /'177/' /' 7. the statement as referred to in article 46(4);/' '\
6918 '6918' ' /'178/' /' 8. potential conflicts of interest;/' '\
6919 '6919' ' /'179/' /' 9. details of the issuer s financial track record for the last three years or where the/'
      '\
6920 '6920' ' /'180/' /' issuer has not been established for the last three years , the issuer s financial track/'
      '\
6921 '6921' ' /'181/' /' record since the date of its registration./' '\
6922 '6922' ' /'182/' /' 10. except for e-money issuers who are exempted from authorisation in accordance with/'
      '\
6923 '6923' ' /'183/' /' article 43(2) , details about the authorisation as an issuer of e-money tokens and/' '\
6924 '6924' ' /'184/' /' name of the competent authority which granted authorisation./' '\
6925 '6925' ' /'185/' /' part b: information about the project/' '\
6926 '6926' ' /'186/' /' 1. details of all natural or legal persons (including addresses and/or domicile of the/'
      '\
6927 '6927' ' /'187/' /' company) involved in design and development , such as advisors , development team/' '\
6928 '6928' ' /'188/' /' and crypto-asset service providers;/' '\
6929 '6929' ' /'189/' /' part c: information about the offer to the public of e-money tokens or their admission/'
      '\
6930 '6930' ' /'190/' /' to trading/' '\
6931 '6931' ' /'191/' /' 1. indication on whether the whitepaper concerns an offer to the public of e-money/' '\
6932 '6932' ' /'192/' /' tokens to the general public and/or their admission to trading on a trading platform/' '\

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6933 '6933' ' ' '193/' ' for crypto-assets;/' '\
6934 '6934' ' ' '194/' ' 2. where applicable, the total number of e-money tokens to be offered to the public/' '\
6935 '6935' ' ' '195/' ' and/or admitted to trading on a trading platform for crypto-assets;/' '\
6936 '6936' ' ' '196/' ' 3. where applicable, name of the trading platform for crypto-assets where the/' '\
6937 '6937' '205 of 218
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6938 '6938' ' '
6939 '6939' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
6940 '6940' ' ' '197/' ' admission to trading of e-money tokens is sought./' '\
6941 '6941' ' ' '198/' ' 4. the law applicable to the offer to the public of e-money tokens, as well as the/' '\
6942 '6942' ' ' '199/' ' competent courts./' '\
6943 '6943' ' ' '200/' ' part d: rights and obligations attached to e-money tokens/' '\
6944 '6944' ' ' '201/' ' 1. a detailed description of the rights and obligations (if any) that the holder of the e
        -/' '\
6945 '6945' ' ' '202/' ' money token is entitled to, including the right of redemption at par value as well as/' '\
        '\
6946 '6946' ' ' '203/' ' the procedure and conditions for the exercise of these rights;/' '\
6947 '6947' ' ' '204/' ' 2. any related fees applied by the issuer of e-money tokens when the redemption right/' '\
        '\
6948 '6948' ' ' '205/' ' at par value is exercised by the holder of e-money tokens;/' '\
6949 '6949' ' ' '206/' ' en 5 en/' '\
6950 '6950' ' ' '207/' ' /' '\
6951 '6951' ' ' '208/' ' part e: information on the underlying technology/' '\
6952 '6952' ' ' '209/' ' 1. information on the technology used, including distributed ledger technology./' '\
6953 '6953' ' ' '210/' ' protocols and technical standards used, allowing for the holding, storing and transfer/' '\
        '\
6954 '6954' ' ' '211/' ' of such e-money tokens;/' '\
6955 '6955' ' ' '212/' ' 2. description of the underlying protocol's interoperability with other protocols;/' '\
6956 '6956' ' ' '213/' ' 3. the consensus algorithm, where applicable;/' '\
6957 '6957' ' ' '214/' ' 4. incentive mechanisms to secure transactions and any fees applicable;/' '\
6958 '6958' ' ' '215/' ' 5. where the crypto-assets are issued, transferred and stored on a distributed ledger
        that/' '\
6959 '6959' ' ' '216/' ' is operated by the issuer or a third-party acting on its behalf, a detailed description
        of/' '\
6960 '6960' ' ' '217/' ' the functioning of such distributed ledger;/' '\
6961 '6961' ' ' '218/' ' 6. information on the audit outcome of the technology used (if any);/' '\
6962 '6962' ' ' '219/' ' part f: risks/' '\
6963 '6963' ' ' '220/' ' 1. description of risks associated with the issuer of e-money tokens;/' '\
6964 '6964' ' ' '221/' ' 2. description of risks associated with the e-money tokens;/' '\
6965 '6965' ' ' '222/' ' 3. description of risks associated with the technology used as well as mitigating/' '\
6966 '6966' ' ' '223/' ' measures (if any)./' '\
6967 '6967' ' ' Back'\
6968 '6968' ' MaltaParl\_2018\_ITAS\_Act [68075:68651]'\
6969 '6969' ' further regulate resident agents and their /' '\
6970 '6970' '206 of 218
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6971 '6971' ' '
6972 '6972' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\_Masters/Study/Mast... '\
6973 '6973' ' ' '902/' ' /' '\
6974 '6974' ' ' '903/' ' functions and duties and prescribe how such functions are to /' '\
6975 '6975' ' ' '904/' ' be carried out keeping in view the functions and duties of a /' '\
6976 '6976' ' ' '905/' ' cap. 590./' '\
6977 '6977' ' ' '906/' ' vfa agent under the virtual financial assets act, when such/' '\
6978 '6978' ' ' '907/' ' person is appointed under and for the purposes of such act;/' '\
6979 '6979' ' ' Back'\
6980 '6980' ' MaltaParl\_2018\_MDIA\_Act [78102:78475]'\
6981 '6981' ' information on all matters which are required to/' '\
6982 '6982' ' '1013/' ' be entered into the register for public information under the/' '\
6983 '6983' ' '1014/' ' other provisions of this act, the innovative technology cap. 592./' '\
6984 '6984' ' '1015/' ' arrangements and services act, or the virtual financial cap. 590./' '\
6985 '6985' ' '1016/' ' assets act, or any other applicable law./' '\
6986 '6986' ' ' Back'\
6987 '6987' ' MaltaParl\_2018\_VFA\_Act [ 507: 838]'\
6988 '6988' ' virtual financial assets regulations, 2018/' '\
6989 '6989' ' '9/' ' in exercise of the powers conferred by article 38 of the/' '\
6990 '6990' ' '10/' ' virtual financial assets act, the minister responsible for the/' '\
6991 '6991' ' '11/' ' regulation of financial services, acting on the advice of the malta/' '\
6992 '6992' ' '12/' ' financial services authority, has made the following regulations:/' '\
6993 '6993' ' ' Back'\
6994 '6994' ' MaltaParl\_2018\_VFA\_Act [ 1371: 2134]'\
6995 '6995' ' //the act// means the virtual financial assets act; cap. 590./' '\
6996 '6996' ' '23/' ' //assets// means movable and immovable property of any/' '\
6997 '6997' ' '24/' ' kind and excludes financial instruments as defined in the second/' '\
6998 '6998' ' '25/' ' schedule to the investment services act, whether issued in cap. 370./' '\

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6999 '6999' ' ' '26/' ' ' malta or not;/' '\
7000 '7000' ' ' '27/' ' ' // 'collective investment scheme// ' shall have the same/' '\
7001 '7001' ' ' '28/' ' ' cap. 370./' '\
7002 '7002' ' ' '29/' ' ' meaning assigned to it under the investment services act;/' '\
7003 '7003' ' ' '30/' ' ' // 'competent authority// ' means the malta financial services/' '\
7004 '7004' '207 of 218
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7005 '7005' ' '
7006 '7006' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
7007 '7007' ' ' '31/' ' ' authority established by the malta financial services authority cap. 330./' '\
7008 '7008' ' ' '32/' ' ' act;/' '\
7009 '7009' ' ' Back'\
7010 '7010' ' ' MaltaParl\2018\VFA\Act [ 3153: 3360] '\
7011 '7011' ' ' // 'client// ' means any natural or legal person to whom a vfa/' '\
7012 '7012' ' ' '49/' ' ' service is provided, and shall include any person whose assets/' '\
7013 '7013' ' ' '50/' ' ' are held under the control of a subject person;/' '\
7014 '7014' ' ' Back'\
7015 '7015' ' ' MaltaParl\2018\VFA\Act [18235:18364] '\
7016 '7016' ' ' (ii) a person whose ordinary business involves the/' '\
7017 '7017' ' ' '266/' ' ' acquisition and disposal of virtual financial assets; or/' '\
7018 '7018' ' ' Back'\
7019 '7019' ' ' MaltaParl\2018\VFA\Act [32870:34035] '\
7020 '7020' ' ' (3) the subject person shall maintain proper and adequate/' '\
7021 '7021' ' ' '455/' ' ' records and accounts of all clients assets held under control./' '\
7022 '7022' ' ' '456/' ' ' the records and accounts shall identify the clients to whom such/' '\
7023 '7023' ' ' '457/' ' ' assets belong and shall clearly indicate that the assets of every client/' '\
7024 '7024' ' ' '458/' ' ' are separate and distinct from the assets belonging to the subject/' '\
7025 '7025' ' ' '459/' ' ' person and from other clients' assets held by the subject person. the/' '\
7026 '7026' ' ' '460/' ' ' '\
7027 '7027' ' ' '461/' ' ' b 3374/' '\
7028 '7028' ' ' '462/' ' ' records and accounts shall, upon due notice being given to the subject/' '\
7029 '7029' ' ' '463/' ' ' person, indicate where any pledge or other right over assets held under/' '\
7030 '7030' ' ' '464/' ' ' the control of the subject person has been given by the clients to any/' '\
7031 '7031' ' ' '465/' ' ' third parties, and where any order by any court has been made in/' '\
7032 '7032' ' ' '466/' ' ' connection with such assets./' '\
7033 '7033' ' ' '467/' ' ' (4) the subject person shall maintain accurate records and/' '\
7034 '7034' ' ' '468/' ' ' accounts in a way that ensures accuracy, and in particular their/' '\
7035 '7035' ' ' '469/' ' ' correspondence to the virtual financial assets and money held for the/' '\
7036 '7036' ' ' '470/' ' ' clients and that they may be used as an audit trail./' '\
7037 '7037' ' ' Back'\
7038 '7038' '208 of 218
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7039 '7039' ' '
7040 '7040' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
        UoM\Masters/Study/Mast... '\
7041 '7041' ' ' MaltaParl\2018\VFA\Act [36409:37049] '\
7042 '7042' ' ' (9) the subject person shall take the necessary steps to ensure/' '\
7043 '7043' ' ' '501/' ' ' that any client's virtual financial assets deposited with a third party in/' '\
7044 '7044' ' ' '502/' ' ' '\
7045 '7045' ' ' '503/' ' ' b 3375/' '\
7046 '7046' ' ' '504/' ' ' accordance with regulation 15 are identifiable separately from the/' '\
7047 '7047' ' ' '505/' ' ' virtual financial assets belonging to the subject person and from the/' '\
7048 '7048' ' ' '506/' ' ' virtual financial assets belonging to that third party, by means of/' '\
7049 '7049' ' ' '507/' ' ' differently titled accounts on the books of the third party or other/' '\
7050 '7050' ' ' '508/' ' ' equivalent measures that achieve the same level of protection./' '\
7051 '7051' ' ' Back'\
7052 '7052' ' ' MaltaParl\2018\VFA\Act [38664:40344] '\
7053 '7053' ' ' 15. (1) a subject person may deposit virtual financial assets deposit of client/' '\
7054 '7054' ' ' '532/' ' ' virtual financial/' '\
7055 '7055' ' ' '533/' ' ' held by it on behalf of its clients into an account or accounts opened assets with third/' '\
7056 '7056' ' ' '534/' ' ' with a third party: parties./' '\
7057 '7057' ' ' '535/' ' ' provided that such third party shall:/' '\
7058 '7058' ' ' '536/' ' ' (a) hold either a licence under this act to provide the/' '\
7059 '7059' ' ' '537/' ' ' vfa service listed in paragraph 5 of the second schedule/' '\
7060 '7060' ' ' '538/' ' ' thereto, or is exempt from licensing under regulation 4(1)(o); or/' '\
7061 '7061' ' ' '539/' ' ' (b) be constituted in a recognised jurisdiction, provided/' '\
7062 '7062' ' ' '540/' ' ' that the subject person shall disclose to its clients and to the/' '\
7063 '7063' ' ' '541/' ' ' authority, the arrangements that will be put in place to ensure/' '\
7064 '7064' ' ' '542/' ' ' adequate safekeeping of assets./' '\
7065 '7065' ' ' '543/' ' ' (2) the subject person shall exercise all due skill, care and/' '\
7066 '7066' ' ' '544/' ' ' '\
7067 '7067' ' ' '545/' ' ' b 3376/' '\
7068 '7068' ' ' '546/' ' ' diligence in the selection, appointment and periodic review of the third/' '\
7069 '7069' ' ' '547/' ' ' party and of the arrangements for the holding and safekeeping of those/' '\
7070 '7070' '209 of 218

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7071 '7071' ' '
7072 '7072' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\Masters/Study/Mast... '\
7073 '7073' ' /'548/' /' virtual financial assets./'\
7074 '7074' ' /'549/' /' (3) the subject person shall, in particular, take into account the/'\
7075 '7075' ' /'550/' /' expertise and market reputation of the third party as well as any legal/'\
7076 '7076' ' /'551/' /' requirements or market practices related to the holding of virtual/'\
7077 '7077' ' /'552/' /' financial assets that could adversely affect the rights of its clients./'\
7078 '7078' ' Back'\
7079 '7079' ' MaltaParl\_2018\_VFA\_Act [57316:64253]'\
7080 '7080' ' /'775/' /' schedule/'\
7081 '7081' ' /'776/' /' (regulations 6 and 7)/'\
7082 '7082' ' /'777/' /' fees/'\
7083 '7083' ' /'778/' /' first column second column third column/'\
7084 '7084' ' /'779/' /' application/ supervisory/'\
7085 '7085' ' /'780/' /' notification fee fee/'\
7086 '7086' ' /'781/' /' /\
7087 '7087' ' /'782/' /' (a) whitepaper 8,000 2,000 upon the submission/'\
7088 '7088' ' /'783/' /' registration of the certificate of/'\
7089 '7089' ' /'784/' /' compliance/'\
7090 '7090' ' /'785/' /' (b) vfa agent/'\
7091 '7091' ' /'786/' /' appointed in terms 12,000 12,000/'\
7092 '7092' ' /'787/' /' of article 7 of the/'\
7093 '7093' ' /'788/' /' act/'\
7094 '7094' ' /'789/' /' appointed in terms 10,000 10,000/'\
7095 '7095' ' /'790/' /' of article 14 of the/'\
7096 '7096' ' /'791/' /' act/'\
7097 '7097' ' /'792/' /' appointed in terms 15,000 15,000/'\
7098 '7098' ' /'793/' /' of both articles 7/'\
7099 '7099' ' /'794/' /' and 14 of the act/'\
7100 '7100' ' /'795/' /' /\
7101 '7101' ' /'796/' /' b 3364/'\
7102 '7102' ' /'797/' /' b 3382/'\
7103 '7103' '210 of 218
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7104 '7104' ' '
7105 '7105' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/UoM\Masters/Study
/Mast... '\
7106 '7106' ' /'798/' /' (c) licences/'\
7107 '7107' ' /'799/' /' vfaa class 1 6,000 for revenue/'\
7108 '7108' ' /'800/' /' up to 5,500/'\
7109 '7109' ' /'801/' /' 50,000/'\
7110 '7110' ' /'802/' /' further/'\
7111 '7111' ' /'803/' /' 700 per/'\
7112 '7112' ' /'804/' /' tranches of/'\
7113 '7113' ' /'805/' /' tranche or/'\
7114 '7114' ' /'806/' /' 50,000 up to/'\
7115 '7115' ' /'807/' /' part thereof/'\
7116 '7116' ' /'808/' /' a maximum of/'\
7117 '7117' ' /'809/' /' 1,000,000/'\
7118 '7118' ' /'810/' /' vfaa class 2 10,000 for revenue/'\
7119 '7119' ' /'811/' /' up to 9,000/'\
7120 '7120' ' /'812/' /' 250,000/'\
7121 '7121' ' /'813/' /' further/'\
7122 '7122' ' /'814/' /' 800 per/'\
7123 '7123' ' /'815/' /' tranches of/'\
7124 '7124' ' /'816/' /' tranche or/'\
7125 '7125' ' /'817/' /' 250,000 up to/'\
7126 '7126' ' /'818/' /' part thereof/'\
7127 '7127' ' /'819/' /' a maximum of/'\
7128 '7128' ' /'820/' /' 5,000,000/'\
7129 '7129' ' /'821/' /' vfaa class 3 14,000 for revenue/'\
7130 '7130' ' /'822/' /' up to 12,000/'\
7131 '7131' ' /'823/' /' 250,000/'\
7132 '7132' ' /'824/' /' further/'\
7133 '7133' ' /'825/' /' 800 per/'\
7134 '7134' ' /'826/' /' tranches of/'\
7135 '7135' ' /'827/' /' tranche or/'\
7136 '7136' '211 of 218
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7137 '7137' ' '
7138 '7138' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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7139 '7139' ' /'828/' /' 250,000 up to/'\
7140 '7140' ' /'829/' /' part thereof/'\
7141 '7141' ' /'830/' /' a maximum of/'\

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7142 '7142' ' ' /'831/' /' 50,000,000/' '\
7143 '7143' ' ' /'832/' /' vfaa class 4 24,000 for revenue/' '\
7144 '7144' ' ' /'833/' /' up to/' '\
7145 '7145' ' ' /'834/' /' 50,000/' '\
7146 '7146' ' ' /'835/' /' 1,000,000/' '\
7147 '7147' ' ' /'836/' /' further/' '\
7148 '7148' ' ' /'837/' /' tranches of/' '\
7149 '7149' ' ' /'838/' /' 1,000,000 up 5,000 per/' '\
7150 '7150' ' ' /'839/' /' to a maximum tranche or/' '\
7151 '7151' ' ' /'840/' /' of part thereof/' '\
7152 '7152' ' ' /'841/' /' 100,000,000/' '\
7153 '7153' ' ' /'842/' '\
7154 '7154' ' ' Back'\
7155 '7155' ' ' 10 Codings of /'whitepaper/' from 4 files.' '\
7156 '7156' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 42970: 45676]' '\
7157 '7157' ' ' title ii regulates the offerings and marketing to the public of crypto-assets other than asset-/' '\
7158 '7158' ' ' /'494/' /' referenced tokens and e-money tokens. it indicates that an issuer shall be entitled to
offer such/' '\
7159 '7159' ' ' /'495/' /' crypto-assets to the public in the union or seek an admission to trading on a trading
platform/' '\
7160 '7160' ' ' /'496/' /' for such crypto-assets if it complies with the requirements of article 4, such as the
obligation/' '\
7161 '7161' ' ' /'497/' /' to be established in the form of a legal person or the obligation to draw up a crypto-
asset/' '\
7162 '7162' ' ' /'498/' /' white paper in accordance with article 5 (with annex i) and the notification of such a
crypto-/' '\
7163 '7163' ' ' /'499/' /' asset white paper to the competent authorities (article 7) and its publication (article 8
). once/' '\
7164 '7164' ' ' /'500/' /' a whitepaper has been published, the issuer of crypto-assets can offer its crypto-assets
in the/' '\
7165 '7165' ' ' /'501/' /' eu or seeks an admission of such crypto-assets to trading on a trading platform (article
10)./' '\
7166 '7166' ' ' /'502/' /' article 4 also includes some exemptions from the publication of a whitepaper, including
for/' '\
7167 '7167' ' '212 of 218
6/09/2021,
1:01 am'\
7168 '7168' ' '
7169 '7169' ' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast... '\
7170 '7170' ' ' /'503/' /' small offerings of crypto-assets (below 1 million within a twelve-month period) and/' '\
7171 '7171' ' ' /'504/' /' offerings targeting qualified investors as defined by the prospectus regulation (
regulation/' '\
7172 '7172' ' ' /'505/' /' eu 2017/1129). article 5 and annex i of the proposal set out the information requirements
/' '\
7173 '7173' ' ' /'506/' /' regarding the crypto-asset white paper accompanying an offer to the public of crypto-
assets or/' '\
7174 '7174' ' ' /'507/' /' an admission of crypto-assets to a trading platform for crypto-assets, while article 6
imposes/' '\
7175 '7175' ' ' /'508/' /' some requirements related to the marketing materials produced by the issuers of crypto-
assets,/' '\
7176 '7176' ' ' /'509/' /' other than asset-referenced tokens or e-money tokens. the crypto-asset white paper will
not/' '\
7177 '7177' ' ' /'510/' /' be subject to a pre-approval process by the national competent authorities (article 7).
it will/' '\
7178 '7178' ' ' /'511/' /' be notified to the national competent authorities with an assessment whether the crypto-
asset/' '\
7179 '7179' ' ' /'512/' /' at stake constitutes a financial instrument under the markets in financial instruments/' '\
7180 '7180' ' ' /'513/' /' directive (directive 2014/65/eu), in particular. after the notification of the crypto-
asset/' '\
7181 '7181' ' ' /'514/' /' white paper, competent authorities will have the power to suspend or prohibit the
offering,/' '\
7182 '7182' ' ' /'515/' /' require the inclusion of additional information in the crypto-asset white paper or make
public/' '\
7183 '7183' ' ' /'516/' /' the fact that the issuer is not complying with the regulation (article 7). title ii also
includes/' '\
7184 '7184' ' ' /'517/' /' specific provisions on the offers of crypto-assets that are limited in time (article 9),
the/' '\
7185 '7185' ' ' /'518/' /' amendments of an initial crypto-asset white paper (article 11), the right of withdrawal/' '\
7186 '7186' ' ' Back'\
7187 '7187' ' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 46048: 47167]' '\
7188 '7188' ' ' title iii, chapter 1 describes the procedure for authorisation of asset-referenced token issuers/' '\
7189 '7189' ' ' /'525/' /' and the approval of their crypto-asset white paper by national competent authorities (
articles/' '\

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7190 '7190' ' /'526/' /' 16 to 19 and annexes i and ii). to be authorised to operate in the union, issuers of
      asset-/''\\
7191 '7191' ' /'527/' /' referenced tokens shall be incorporated in the form of a legal entity established in the
      eu/'''\\
7192 '7192' ' /'528/' /' (article 15). article 15 also indicates that no asset-referenced tokens can be offered to
      the/'''\\
7193 '7193' ' /'529/' /' public in the union or admitted to trading on a trading platform for crypto-assets if the
      issuer/'''\\
7194 '7194' ' /'530/' /' is not authorised in the union and it does not publish a crypto-asset white paper
      approved by/'''\\
7195 '7195' ' /'531/' /' its competent authority. article 15 also includes exemptions for small-scale asset-
      referenced/'''\\
7196 '7196' ' /'532/' /' tokens and for asset-referenced tokens that are marketed, distributed and exclusively
      held by/'''\\
7197 '7197' ' /'533/' /' qualified investors. withdrawal of an authorisation is detailed in article 20 and article
      21 sets/'''\\
7198 '7198' ' /'534/' /' out the procedure for modifying the crypto-asset white paper./''\\
7199 '7199' ' Back''\\
7200 '7200' '213 of 218
      6/09/2021, 1:01 am''\\
7201 '7201' '
7202 '7202' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... ''\\
7203 '7203' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 82910: 83584]''\\
7204 '7204' ' discriminatory treatment of holders of crypto-assets, the information in the crypto-/''\\
7205 '7205' ' /'919/' /' asset white paper, and where applicable in any marketing communications related to/'''\\
7206 '7206' ' /'920/' /' the public offer, shall be fair, clear and not misleading./''\\
7207 '7207' ' /'921/' /' (15) in order to ensure a proportionate approach, the requirements to draw up and publish
      a/'''\\
7208 '7208' ' /'922/' /' crypto-asset white paper should not apply to offers of crypto-assets, other than asset-/
      ''\\
7209 '7209' ' /'923/' /' referenced tokens or e-money tokens, that are offered for free, or offers of crypto-/''\\
7210 '7210' ' /'924/' /' assets that are exclusively offered to qualified investors as defined in article 2, point
      /''''\\
7211 '7211' ' Back''\\
7212 '7212' ' EUComm\_Proposal\_MiCA\_2020\_0265 [ 85393: 86283]''\\
7213 '7213' ' (18) in order to enable supervision, issuers of crypto-assets should, before any public offer/'''\\
7214 '7214' ' /'945/' /' of crypto-assets in the union or before those crypto-assets are admitted to trading on a/
      ''\\
7215 '7215' ' /'946/' /' trading platform for crypto-assets, notify their crypto-asset white paper and, where/'''\\
7216 '7216' ' /'947/' /' applicable, their marketing communications, to the competent authority of the member/'''\\
7217 '7217' ' /'948/' /' state where they have their registered office or a branch. issuers that are established
      in/'''\\
7218 '7218' ' /'949/' /' a third country should notify their crypto-asset white paper, and, where applicable,/''''\\
7219 '7219' ' /'950/' /' their marketing communication, to the competent authority of the member state where/'''\\
7220 '7220' ' /'951/' /' the crypto-assets are intended to be offered or where the admission to trading on a/'''\\
7221 '7221' ' /'952/' /' trading platform for crypto-assets is sought in the first place./''''\\
7222 '7222' ' Back''\\
7223 '7223' ' EUComm\_Proposal\_MiCA\_2020\_0265 [112066:113118]''\\
7224 '7224' ' (47) the crypto-asset white paper produced by an issuer of e-money tokens should contain/'''\\
7225 '7225' ' /'1228/' /' all the relevant information concerning that issuer and the offer of e-money tokens or/
      ''\\
7226 '7226' ' /'1229/' /' their admission to trading on a trading platform for crypto-assets that is necessary to/
      ''\\
7227 '7227' ' /'1230/' /' enable potential buyers to make an informed purchase decision and understand the/'''\\
7228 '7228' ' /'1231/' /' risks relating to the offer of e-money tokens. the crypto-asset white paper should also/
      ''\\
7229 '7229' ' /'1232/' /' explicitly indicate that holders of e-money tokens are provided with a claim in the/'''\\
7230 '7230' ' /'1233/' /' form of a right to redeem their e-money tokens against fiat currency at par value and at
      /''''\\
7231 '7231' ' /'1234/' /' any moment./''''\\
7232 '7232' ' /'1235/' /' (48) where an issuer of e-money tokens invests the funds received in exchange for e-/
      ''\\
7233 '7233' '214 of 218
      6/09/2021,
      1:01 am''\\
7234 '7234' '
7235 '7235' 'Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
      UoM\Masters/Study/Mast... ''\\
7236 '7236' ' /'1236/' /' money tokens, such funds should be invested in assets denominated in the same/'''\\
7237 '7237' ' /'1237/' /' currency as the one that the e-money token is referencing to avoid cross-currency/'''\\
7238 '7238' ' /'1238/' /' risks./''''\\
7239 '7239' ' Back''\\
7240 '7240' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 3176: 3391]''\\
7241 '7241' ' indication on whether the whitepaper concerns an offer of crypto-assets to the public/'''\\
7242 '7242' ' /'46/' /' and/or an admission of crypto-assets to trading on a trading platform for crypto-/''''\\
7243 '7243' ' /'47/' /' assets;/'''''\\

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7244 '7244' ' ' Back '\\
7245 '7245' ' ' EUComm\_Proposal\_MiCA\_2020\_0265\_Annexes [ 13188: 17483] '\\
7246 '7246' ' ' annex iii: whitepaper applicable to issuers of e-money tokens minimum content/' '\\
7247 '7247' ' ' /'169/' /' part a: general information about the issuer/' '\\
7248 '7248' ' ' /'170/' /' 1. issuer s name;/' '\\
7249 '7249' ' ' /'171/' /' 2. registered address;/' '\\
7250 '7250' ' ' /'172/' /' 3. date of the registration;/' '\\
7251 '7251' ' ' /'173/' /' 4. legal entity identifier;/' '\\
7252 '7252' ' ' /'174/' /' 5. where applicable, the group of undertakings to which the issuer belongs;/' '\\
7253 '7253' ' ' /'175/' /' 6. identity, address and functions of persons belonging to the management body of the/' '\\
7254 '7254' ' ' '\\
7255 '7255' ' ' /'176/' /' issuer;/' '\\
7256 '7256' ' ' /'177/' /' 7. the statement as referred to in article 46(4);/' '\\
7257 '7257' ' ' /'178/' /' 8. potential conflicts of interest;/' '\\
7258 '7258' ' ' /'179/' /' 9. details of the issuer s financial track record for the last three years or where the/' '\\
7259 '7259' ' ' '\\
7260 '7260' ' ' /'180/' /' issuer has not been established for the last three years, the issuer s financial track/' '\\
7261 '7261' ' ' '\\
7262 '7262' ' ' /'181/' /' record since the date of its registration./' '\\
7263 '7263' ' ' /'182/' /' 10. except for e-money issuers who are exempted from authorisation in accordance with/' '\\
7264 '7264' ' ' '\\
7265 '7265' ' ' /'183/' /' article 43(2), details about the authorisation as an issuer of e-money tokens and/' '\\
7266 '7266' ' ' /'184/' /' name of the competent authority which granted authorisation./' '\\
7267 '7267' ' ' /'185/' /' part b: information about the project/' '\\
7268 '7268' ' ' /'186/' /' 1. details of all natural or legal persons (including addresses and/or domicile of the/' '\\
7269 '7269' ' ' /'187/' /' company) involved in design and development, such as advisors, development team/' '\\
7270 '7270' ' ' '215 of 218'

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7267 '7267' ' '
7268 '7268' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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7269 '7269' ' ' /'188/' /' and crypto-asset service providers;/' '\\
7270 '7270' ' ' /'189/' /' part c: information about the offer to the public of e-money tokens or their admission/' '\\
7271 '7271' ' ' '\\
7272 '7272' ' ' /'190/' /' to trading/' '\\
7273 '7273' ' ' /'191/' /' 1. indication on whether the whitepaper concerns an offer to the public of e-money/' '\\
7274 '7274' ' ' /'192/' /' tokens to the general public and/or their admission to trading on a trading platform/' '\\
7275 '7275' ' ' /'193/' /' for crypto-assets;/' '\\
7276 '7276' ' ' /'194/' /' 2. where applicable, the total number of e-money tokens to be offered to the public/' '\\
7277 '7277' ' ' /'195/' /' and/or admitted to trading on a trading platform for crypto-assets;/' '\\
7278 '7278' ' ' /'196/' /' 3. where applicable, name of the trading platform for crypto-assets where the/' '\\
7279 '7279' ' ' /'197/' /' admission to trading of e-money tokens is sought./' '\\
7280 '7280' ' ' /'198/' /' 4. the law applicable to the offer to the public of e-money tokens, as well as the/' '\\
7281 '7281' ' ' /'199/' /' competent courts./' '\\
7282 '7282' ' ' /'200/' /' part d: rights and obligations attached to e-money tokens/' '\\
7283 '7283' ' ' /'201/' /' 1. a detailed description of the rights and obligations (if any) that the holder of the e
-/ '\\
7284 '7284' ' ' /'202/' /' money token is entitled to, including the right of redemption at par value as well as/' '\\
7285 '7285' ' ' '\\
7286 '7286' ' ' /'203/' /' the procedure and conditions for the exercise of these rights;/' '\\
7287 '7287' ' ' /'204/' /' 2. any related fees applied by the issuer of e-money tokens when the redemption right/' '\\
7288 '7288' ' ' '\\
7289 '7289' ' ' /'205/' /' at par value is exercised by the holder of e-money tokens;/' '\\
7290 '7290' ' ' /'206/' /' en 5 en/' '\\
7291 '7291' ' ' /'207/' /' /' '\\
7292 '7292' ' ' /'208/' /' part e: information on the underlying technology/' '\\
7293 '7293' ' ' /'209/' /' 1. information on the technology used, including distributed ledger technology,/' '\\
7294 '7294' ' ' /'210/' /' protocols and technical standards used, allowing for the holding, storing and transfer/' '\\
7295 '7295' ' ' '\\
7296 '7296' ' ' /'211/' /' of such e-money tokens;/' '\\
7297 '7297' ' ' /'212/' /' 2. description of the underlying protocol s interoperability with other protocols;/' '\\
7298 '7298' ' ' /'213/' /' 3. the consensus algorithm, where applicable;/' '\\
7299 '7299' ' ' /'214/' /' 4. incentive mechanisms to secure transactions and any fees applicable;/' '\\
7300 '7300' ' ' /'215/' /' 5. where the crypto-assets are issued, transferred and stored on a distributed ledger
that/' '\\
7301 '7301' ' ' /'216/' /' is operated by the issuer or a third-party acting on its behalf, a detailed description
of/' '\\
7302 '7302' ' ' /'217/' /' the functioning of such distributed ledger;/' '\\
7303 '7303' ' ' '216 of 218'

6/09/2021,

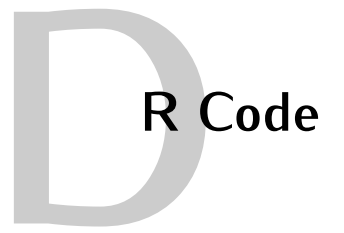
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7300 '7300' ' '
7301 '7301' ' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
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7302 '7302' ' ' /'218/' /' 6. information on the audit outcome of the technology used (if any);/' '\\

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7303 '7303' ' /'219/' /' part f: risks/' '\
7304 '7304' ' /'220/' /' 1. description of risks associated with the issuer of e-money tokens;' '\
7305 '7305' ' /'221/' /' 2. description of risks associated with the e-money tokens;' '\
7306 '7306' ' /'222/' /' 3. description of risks associated with the technology used as well as mitigating/' '\
7307 '7307' ' /'223/' /' measures (if any)./' '\
7308 '7308' ' Back'\
7309 '7309' ' MaltaParl\_2018\_ITAS\_Act [ 76729: 77990]' '\
7310 '7310' ' to changes in administrators or shareholders is being made to the/' '\
7311 '7311' ' /'1022/' /' authority./' '\
7312 '7312' ' /'1023/' /' 1.0.4 the calculation of the nature and extent of ownership/' '\
7313 '7313' ' /'1024/' /' or control stated hereunder shall be made on a direct or indirect basis./' '\
7314 '7314' ' /'1025/' /' in relation to a person holding such rights or powers such calculation/' '\
7315 '7315' ' /'1026/' /' shall also, to the extent possible, be made on a cumulative basis/' '\
7316 '7316' ' /'1027/' /' irrespective of in how many wallets or in what manner such rights/' '\
7317 '7317' ' /'1028/' /' and powers may be held. if shares are held by an intermediary, then/' '\
7318 '7318' ' /'1029/' /' the tests in this schedule shall be applied to the beneficial owners/' '\
7319 '7319' ' /'1030/' /' who shall be obliged to advise the administrators or the authority of/' '\
7320 '7320' ' /'1031/' /' their cumulative beneficial ownership interests. until such time as the/' '\
7321 '7321' ' /'1032/' /' technology of the arrangement can carry out such calculations, the/' '\
7322 '7322' ' /'1033/' /' duty to declare totals of holdings in cases of multiple holdings, rights/' '\
7323 '7323' ' /'1034/' /' or powers shall be that of a user who shall be advised of such duty in/' '\
7324 '7324' ' /'1035/' /' any relevant documentation, including any whitepaper./' '\
7325 '7325' ' Back'\
7326 '7326' ' MaltaParl\_2018\_VFA\_Act [ 6793: 7160]' '\
7327 '7327' ' the provisions of article 3 of the act shall not apply to any exemption from/' '\
7328 '7328' ' /'102/' /' drawing up and/' '\
7329 '7329' ' /'103/' /' person who has commenced an offering in terms of article 3 prior to registering a/' '\
7330 '7330' ' /'104/' /' two weeks of the coming into force of the act: whitepaper./' '\
7331 '7331' ' Back'\
7332 '7332' ' MaltaParl\_2018\_VFA\_Act [ 19916: 20467]' '\
7333 '7333' ' 217 of 218
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, 1:01 am'\
7334 '7334' '
7335 '7335' ' Codings created by RQDA. file:///C:/Users/benwa/Documents/Studium/
UoM\_Masters/Study/Mast... '\
7336 '7336' ' 6. any person shall, upon submission of a whitepaper for/' '\
7337 '7337' ' /'291/' /' whitepaper/' '\
7338 '7338' ' /'292/' /' review or registration or upon submission of an application for the granting of a/' '\
7339 '7339' ' /'293/' /' application fee. registration, a licence or any other kind of authorisation, irrespective/
'\
7340 '7340' ' /'294/' /' of whether the whitepaper is registered or whether the application is/' '\
7341 '7341' ' /'295/' /' eventually accepted or not, pay to the competent authority the/' '\
7342 '7342' ' /'296/' /' respective fee as established in the second column of the schedule./' '\
7343 '7343' ' Back'\
7344 '7344' ' 218 of 218
6/09/2021, 1:01 am'\

```





```

#Packages used
library(tm)
library(xtable)
library(RQDA)
library(wordcloud)
library(pdftools)
library(tidyverse)
library(stringr)
library(magrittr)
library(broom)
library(dplyr)
library(qpcR)
library(shiny)
library(manipulateWidget)
library(tikzDevice)
library(RColorBrewer)
library(SnowballC)

#Input sample
setwd("C://Users//...//Case_Malta_Legislation")

#Read Text Data in PDF and clean it from formatting to plain text
#####

#VFA Act Malta 2018
VFA_Act_TEXT <- pdf_text("MaltaParl_2018_VFA_Act.pdf")

#Preparation Keyword query, lower case formatting
vfa_text<- tolower(VFA_Act_TEXT)
vfa4query<-readr::read_lines(vfa_text)

#Preparation qual coding
tidied_vfa<-as.data.frame.vector(vfa4query)
write.table(tidied_vfa,"MaltaParl_2018_VFA_Act.txt")
#####

##VFAA specific Keywords
### #1 Keyword query "virtual financial assets"
####VFAA
VFAquery_V<-data.frame(str_detect(vfa4query,"virtual financial asset"))
colnames(VFAquery_V)<-"Occurence_VFA_V"
VFAquery_V<-subset(VFAquery_V,VFAquery_V$Occurence_VFA_V==TRUE)
VFAquery_V<-row.names(VFAquery_V)
VFAquery_V<-as.data.frame.vector(VFAquery_V)
VFACount_V<-count(VFAquery_V)
#####

##### RESULTS ACT SPECIFIC Keywords ---- Make one table and export to LATEX ----
##### RESULTS VFA specific keywords
query_vfaspec_results<-qpcR::cbind.na(VFAquery_V,VFAabbrevquery_V,whitepaperquery_V,licensquery_V,
                                       VFAquery_I,VFAabbrevquery_I,whitepaperquery_I
)

```

```

query_vfaspec_results<-xtable(query_vfaspec_results)
print(query_vfaspec_results, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/query_vfaspec_results.tex",
      compress=FALSE)
VFA_keywordcolumn<-rbind(VFACount_V,VFAabbrevCount_V,whitepaperCount_V,licensCount_V,holderCount_V,
                          fineCount_V,crimeCount_V,enforceCount_V,DLTCount_V,SPCount_V,registerCount_V,
                          cryptoCount_V,monitorCount_V,reportCount_V,recordCount_V,reviewCount_V,exempt
                          dutyCount_V,responsibCount_V,obligCount_V,auditCount_V,agenCount_V)
ACTxKWtable<-cbind(ITAS_keywordcolumn,MDIA_keywordcolumn,VFA_keywordcolumn)
rownames(ACTxKWtable)<-c("virtual financial asset","VFA","whitepaper","licenc/se","holder","fine","crime",
                          "enforce","DLT","service provider","register","crypto","monitor","report",
                          "record","review","exempt","duty/ies","responisble","oblige","audit","agency")
colnames(ACTxKWtable)<-c("ITAS Act","MDIA Act","VFA Act")
ACTxKWtable<-xtable(ACTxKWtable)
print(ACTxKWtable, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/ACTxKWtable.tex",
      compress=FALSE)

#####
#####Text Mining to check for FALSE Positive
#Defragmenting Document Sections
VFAA_collapsed<-paste(VFA_Act_TEXT, collapse = "")
#aggregating corpora
VFAA_corpsource<-VectorSource(VFAA_collapsed)
VFAA_corpus<-Corpus(VFAA_corpsource)
#Cleaning Corpora
VFAA_corpus<- tm_map(VFAA_corpus, content_transformer(tolower))
VFAA_corpus<- tm_map(VFAA_corpus, removePunctuation)
VFAA_corpus<- tm_map(VFAA_corpus, stripWhitespace)
VFAA_corpus<- tm_map(VFAA_corpus, removeWords, stopwords("english"))
VFAA_corpus<- tm_map(VFAA_corpus, stemDocument)
#Document-term matrix
VFAA_DTM<- DocumentTermMatrix(VFAA_corpus)
VFAA_DTM_onecol<- as.matrix(VFAA_DTM)
# Word frequency analysis
VFAA_wf<- colSums(VFAA_DTM_onecol)
VFAA_freq<- sort(VFAA_wf, decreasing=TRUE)
VFAA_words <- as.vector(names(VFAA_freq[1:22]))
#####Export TM Results to LATEX
## Table 22 most freq words
VFAA_W_numbers<-as.vector(VFAA_freq[1:22])
VFAA_GenWFREQ<-data.frame(cbind(VFAA_words,VFAA_W_numbers))
ACTS_GENWFREQEQ22<-cbind(ITASA_GenWFREQ,MDIAA_GenWFREQ,VFAA_GenWFREQ)
#####
MALTA_in_MICA<-rbind(ITASA_5FREQ_MICA_Count,
                     MDIAA_5FREQ_MICA_Count,

```

```

VFAA_5FREQ_MICA_Count)
MALTA_in_MICANX<-rbind(ITASA_5FREQ_MICANX_Count,
                        MDIAA_5FREQ_MICANX_Count,
                        VFAA_5FREQ_MICANX_Count)
MaltaxMicatable<-cbind(MALTA_in_MICA,MALTA_in_MICANX)
rownames(MaltaxMicatable)<-c("VFA Act 5 most freq.words")
colnames(MaltaxMicatable)<-c("MiCA", "MiCA Annexes")
MaltaxMicatable<-xtable(MaltaxMicatable)
print(MaltaxMicatable, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/MaltaxMicatable.tex",
      compress=FALSE)
####Create Keyword only Table for both acts
kw_maltalegis<-as.vector(rownames(ACTxKWtable))
kw_eulegis<-as.vector(rownames(EUxKWtable))
maxlenght<-max(length(kw_eulegis),length(kw_maltalegis))
length(kw_eulegis)<-maxlenght
kw_table<-cbind(kw_maltalegis,kw_eulegis)
colnames(kw_table)<-c("Keywords EU legislation","Keywords Malta legislation")
kw_table<-xtable(kw_table)
print(kw_table, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/kw_table.tex",
      compress=FALSE)
#####Retrieve Codings from RQDA
coding<- getCodingTable()
codes<-summaryCodings()
codes_df<-as.data.frame(codes$NumOfCoding)
codeID<-as.vector(coding$cid)
CodeNAME<-as.vector(coding$codename)
codeIDNA<-cbind(codeID,CodeNAME)
CODEIDS<-as.data.frame(unique(codeIDNA))
CODEIDS<-xtable(CODEIDS)
print(CODEIDS, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/CODEIDS.tex",
      compress=FALSE)
assorted<-as.data.frame(sort(a,decreasing = TRUE))
colnames(ACTS_GENWFREQEQ22)<-c("ITAS Act Words","ITAS Act Word frequency",
                              "MDIA Act Words","MDIA Act Word frequency",
                              "VFA Act Words","VFA Act Word frequency")
ACTS_GENWFREQEQ22<-xtable(ACTS_GENWFREQEQ22)
print(ACTS_GENWFREQEQ22, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/ACTS_GENWFREQEQ22.tex",
      compress=FALSE)
#### Export of Word Cloud Plots to Latex
##VFAA WC
tikz("C:/Users/.../Case_Malta_Legislation/VFAA_wc.tex",

```

```
width=3.5,height=3.5)
wordcloud(words=VFAA_words, freq = VFAA_freq, min.freq = 1,
          max.words=22, random.order=FALSE, rot.per=0.35,
          colors=brewer.pal(8, "Dark2"))
dev.off()

## pdf
## 2

#####QDA
a<-getCodingsByOne(1, fid=NULL,codingTable=c("coding"))
exportCodings(file = "Exported Codings.html", Fid = NULL,
              order = c("fname", "ftime", "ctime"), append = FALSE,
              codingTable="coding")
puka<-pdf_text("CODINGS_QDA.pdf")
puka<-readr::read_lines(puka)
pukapuka<-as.data.frame.vector(puka)
write.table(pukapuka,"CODINGS_QDA.txt")
puh<-as.data.frame.vector(stopwords("english"))
totallenght<-sum(coding$CodingLength)
amendments<-getCodingsByOne(26,fid=NULL,codingTable = "coding")
amendmentstext<-as.data.frame(amendments$coding)
amendmentstext<-xtable(amendmentstext)
print(amendmentstext, type = "latex",
      file = "C:/Users/.../Case_Malta_Legislation/amendmentstext.tex",
      compress=FALSE)
```



## Acronyms

**AML** Anti Money Laundering. ii, 2, 7, 11, 18–20, 26, 27, 35–40, 42, 45, 48, 50, 53, 59, 62  
**AMLC** EU Directive on combating money laundering by criminal law. v, vi, xxviii, xxxi, 37, 46, 51, 62  
**AMLD IV** EU AML/CTF Directive four. vi, xxviii, 44, 46, 47, 51, 62  
**AMLD V** EU AML/CTF Directive five. v, vi, xxviii–xxx, 2, 7, 36–38, 44, 46, 47, 51, 62  
**AOSIS** Alliance of Small Island States. 22  
**ATM** Automated Teller Machines. 7  
  
**BaFin** *Bundesanstalt für Finanzaufsicht*. 30, 32  
**BSA** Banking Secrecy Act. 10, 13, 30  
**BVI** British Virgin Islands. 14, 22  
  
**CBDC** Central Bank Digital Currency. 6, 23  
**CDD** Customer due diligence. 27  
**CDI** China Development Institute. 23  
**CEO** Chief Executive Officer. 18  
**CRS** Common Reporting Standard. 6, 13  
**CTF** Counter terrorist financing. 11, 18–20, 26, 27, 35–40, 42, 45, 48, 50, 53, 59, 62  
**CTFC** Commodity Futures Trading Commission. 26  
  
**DAO** Decentralised Autonomous Organisation. 6  
**DLT** Distributed Ledger Technology. ii, 6, 11, 15, 20, 25–28, 35–38, 43, 46, 48–50, 52–57, 59, 61–63  
**DNFBP** Designated Non-Financial Businesses and Professions. 20, 25  
  
**EBA** European Banking Authority. 8, 36, 54–56, 63  
**EC** European Commission. 2, 35, 36, 46, 54, 56, 57, 62  
**ECB** European Central Bank. 23  
**ERC-20** Ethereum Request for Comment standard. 27, 28  
**EU** European Union. ii, v, vi, xxvii, 2, 7, 17–19, 23, 26, 27, 35–38, 40, 42, 43, 45–51, 53–57, 59, 62, 63  
**EUR** Euro. 50  
  
**FATCA** Foreign Account Tax Compliance Act. 10, 13, 14, 45, 61  
**FATF** Financial Action Task Force. 1, 19, 20, 23, 28, 33, 38, 49, 52, 57, 58, 63  
**FCA** Financial Conduct Authority. 36  
**FDI** Foreign Direct Investment. 6, 21  
**FinCEN** Financial Crime Enforcement Network. 13, 26, 30, 32  
**Fintech** Finance technology. 23–26  
**FIU** Financial Intelligence Unit. 27  
**FSFSCMU** Financial Services and Financial Stability Capital Markets Union. 36  
  
**GFCI** Global Financial Centre Index. 19, 21, 23, 24  
  
**HDI** Human Development Index. 17  
  
**ICO** Initial Coin Offering. 5, 27, 32  
**IP** Intellectual Property. 6  
**IPO** Initial Public Offering. 5, 26, 32  
**IRS** Internal Revenue Service. 13, 14, 32  
**ITAS** Innovative Technology Arrangements and Services. v, xviii, xix, xxii, 46

ITASA Innovative Technology Arrangements and Services Act. 46, 51–55, 62, 63

MDIA Malta Digital Innovation Authority. v, xviii, xx, xxi, xxiii–xxv, 26, 46, 52, 54, 55, 63

MDIAA Malta Digital Innovation Authority Act. 46, 50–52, 54, 62, 63

MER Mutual Evaluation Report. 19, 27, 38, 62

MFSA Malta Financial Services Authority. 5, 9, 25, 26, 52–55, 63

MiCA European Union framework for Markets in Crypto-assets. v, vi, xxix, xxxii–xxxv, 2, 5, 27, 35, 36, 46, 48, 49, 53–57, 62, 63

MiFID The 2<sup>nd</sup> EU Markets in Financial Instruments Directive. 26, 27

ML Money laundering. 1, 7, 11, 12, 19, 27–29, 38, 46, 56

NFT Non-Fungible Token(s). 5

NLP Natural Language Processing. 58

OC Organised crime. 20

OCC Office of the Comptroller of the Currency. 26

OECD Organisation for Economic Co-operation and Development. 18, 22

OFC Offshore Financial Centre. 7, 9–11, 13, 14, 18–22, 24, 28, 58, 59, 61

OPEC Organization of the Petroleum Exporting Countries. 8

P2P Peer-To-Peer. 11, 26

PRC People's Republic of China. 23

QDA Qualitative Data Analysis. v, 2, 35, 38–40, 42–47, 49, 53, 54, 57–59, 62, 63

SEC Securities Exchange Commission. 13, 25, 26, 29–32

SIDS Small Island Developing States. 17, 22

STR Suspicious transaction report. 20

SWIFT Society for Worldwide Interbank Financial Transfers. 12

TF Terrorist financing. 1, 12, 19, 27, 28, 38, 46, 56

TVTG *Gesetz über Token und VT-Dienstleister, abbrev. Token- und VT-Dienstleister-Gesetz*. 19, 20

UK United Kingdom. 20, 22, 23, 36

UN United Nations. 17, 19

US United States. 1, 5, 7–14, 18, 24–26, 29–32, 36, 61

USA United States of America. 1, 8, 13, 25, 26

USD United States Dollar. 7, 8, 14, 28

VA Virtual asset. 1–3, 5, 7, 9, 11, 14, 15, 20, 24–29, 35–39, 42–48, 50, 52–59, 61–63

VASP Virtual asset service provider. 20, 25, 27, 51, 53, 54, 56, 57, 62, 63

VFA Virtual Financial Asset. v, xviii, xxi, xxv, 1, 5, 23, 25–27, 29, 36, 40, 42, 44, 46, 48–54, 56, 57, 62, 63

VFAA Virtual Financial Assets Act. 26, 27, 46, 49–56, 62, 63

vs. versus. 5, 30–32

WTO World Trade Organization. 17

## Glossary

### Binance

Binance is one of the largest VA exchanges globally. It was founded in China, never since its relocation announced the location of its headquarters. 18

### DAI

Stablecoin issued by the MAKER DAO. 6

### Moneyval

Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism. 19, 20

### RBA

Risk based approach was introduced by FATF to combat ML and TF. It brings non-regulated sectors under the scope of monitoring and prudent legislation.. 25, 28, 38, 49, 52, 57, 59, 63

### UNI

Governance Token on Ethereum of the Uniswap liquidity protocol. 25

### XRP

Native Asset of the Ripple blockchain called *Ripple*, pl. Ripples. 29–32