



Blockchain & Cryptocurrencies: Business Trends & Regulatory Developments

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- **# Top 3 Business Trends**
- **The (non)regulatory “landscape” of crypto-space**
- **Key EU / CY regulatory developments in 2020-2021**

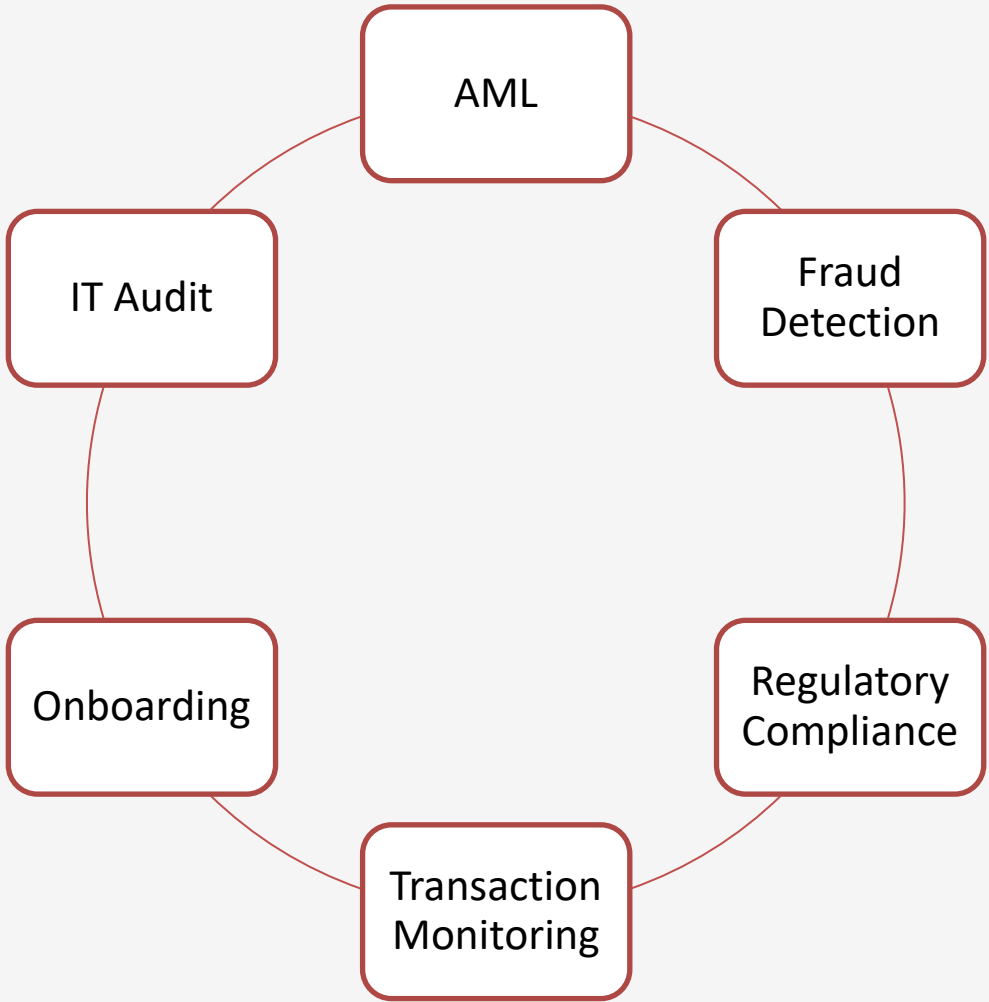


#1 Trend: Tokenization

Real Estate / Energy / Commodities / Financial Instruments



#2 Trend: RegTech / FinTech Solutions





#3 Trend: Blockchain as-a-service

Blockchain-as-a-service (BaaS) is the third-party creation and management of cloud-based networks for companies in the business of building blockchain applications.

BaaS is based on the software as a service (SaaS) model and allows customers to leverage cloud-based solutions to build, host, and operate their own blockchain apps and related functions on the blockchain.

BaaS help the customers in a faster application development, low maintenance cost and fast adoption of Blockchain technologies.

- Reduce friction between multiple parties
- Secure records and transactions
- Reduce paper-based processes
- Authenticate the provenance of products and materials

Use Cases: Healthcare, Supply chain, Media & Entertainment

[IBM](#)

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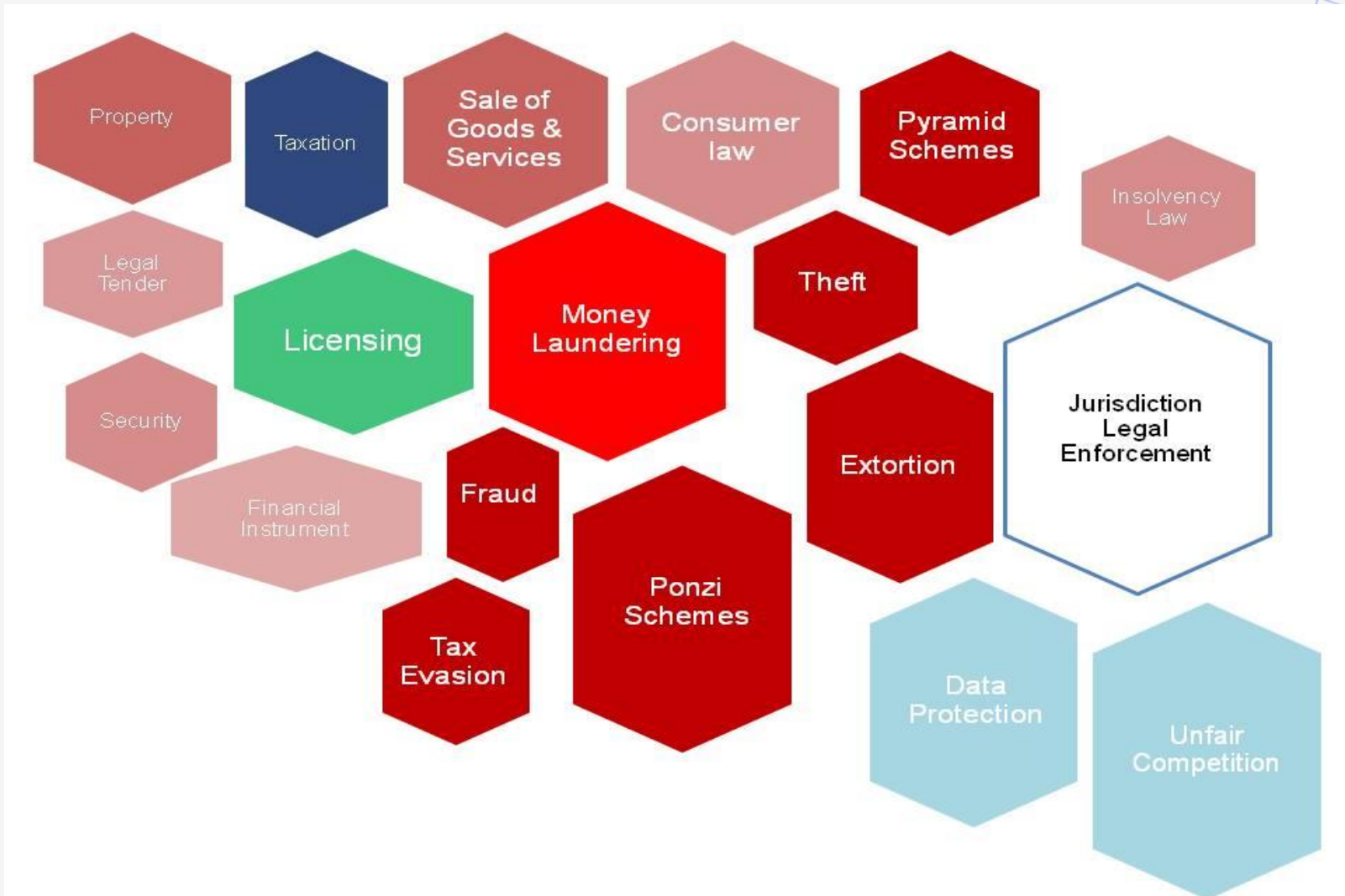
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The (Non)Regulatory “Landscape” of Crypto Space





AML & CASPs

CySEC Directive for the Prevention and Suppression of Money Laundering and Terrorist Financing (Register of Crypto Asset Service Providers) ([June 2021](#))

- CASP registry
- Conditions for authorization / registration
- Alterations / Notification procedure
- Capital requirements
- Conflict of interest
- Registration and annual fees
- Questionnaire & Application package guidance (pending)



Regulating crypto outside EU financial market

Proposal for EU Regulation on Markets in Crypto-Assets ([Sept. 2020](#))

Crypto-assets issued by central banks acting in their monetary authority capacity or by other public authorities should not be subject to the Union framework covering crypto-assets, and neither should services related to crypto-assets that are provided by such central banks or other public authorities.

This Regulation lays down uniform rules for the following:

- (a) transparency and disclosure requirements for the issuance and admission to trading of crypto-assets;
- (b) the authorisation and supervision of crypto-asset service providers and issuers of asset-referenced tokens and issuers of electronic money tokens;
- (c) the operation, organisation and governance of issuers of asset-referenced tokens, issuers of electronic money tokens and crypto-asset service providers;
- (d) consumer protection rules for the issuance, trading, exchange and custody of crypto-assets;
- (e) measures to prevent market abuse to ensure the integrity of crypto-asset markets.



Regulating the Technology (!)

Draft CY Legislation on the Distributed Ledger Technology ([6 Sept. 2021](#))

Scope of application:

- a. Property Status of tokens;
 - Rights to tokens / Evidence of ownership / Transfer of ownership
- b. Records in blockchain or other DLT;
 - Validity of record / Proof or registration
- c. Smart Contracts
 - Recognized as legally binding and valid contract (or part of a broader legally binding and valid contract)
 - Applicable law (as per contract law)
 - Electronic signatures
 - Proof of smart contracts

Back to the Regulatory Norm (aka “back to the basics”)



Proposal for EU Regulation on information accompanying transfers of funds and certain crypto-assets ([July 2021](#))

Nature of the new obligations on crypto-asset service providers

The crypto-asset service provider of the originator must ensure that transfers of crypto-assets are accompanied by the name of the originator, the originator’s account number, where such an account exists and is used to process the transaction; and the originator’s address, official personal document number, customer identification number or date and place of birth; the crypto-asset service provider of the originator must also ensure that transfers of crypto-assets are accompanied by the name of the beneficiary and the beneficiary’s account number, where such an account exists and is used to process the transaction.

The crypto-asset service provider of the beneficiary must implement effective procedures to detect whether the information on the originator is included in, or follows, the transfer of crypto-assets. The crypto-asset service provider of the beneficiary must also implement effective procedures, including, where appropriate, ex-post monitoring or real-time monitoring, in order to detect whether the required information on the originator or the beneficiary is missing.



Thank You!

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