



CRYPTOASSET BUSINESSES ARE NOW SUBJECT TO THE EU'S 5TH MONEY LAUNDERING DIRECTIVE

On 10 January 2020 the EU's 5th Money Laundering Directive came into effect. England has implemented this directive by way of amendments to the existing Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs).

This update to the directive is especially important to cryptoasset businesses operating in England and Wales as it brings the majority of those businesses within its scope and therefore subject to the MLRs.

The Financial Conduct Authority (FCA) has been appointed as the supervisor of UK cryptoasset businesses under the MLRs and as of 10 January 2020, all cryptoasset business, which falls within the scope of the MLRs, must register with the FCA.

In addition to registration, all cryptoasset business within the scope must ensure that they are compliant with the MLRs; failure to do so may result in fines or sanctions.

Cryptoasset businesses are often asked to produce Legal Opinions to suppliers and business partners to ensure compliance with relevant laws.

These Legal Opinions may no longer be valid, and those businesses may require that they produce an update.

If you are unsure whether your cryptoasset business falls within the scope of the MLRs, if you need assistance registering or require a Legal Opinion update, please contact us.



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Although helpful, the brief information included in this document is intended as a guide only and does not constitute legal advice. For more detailed information regarding any of the matters raised in this document tailored to suit your specific circumstances please contact a member of our team. This guide was correct at time of publication and is not a substitute for legal advice.

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