



KARATZAS & PARTNERS

Financial Regulation
Alert

Legislative step in managing AML Risks of virtual currencies

Law 4734/2020 Transposed Directive (EU) 2018/843 (5AMLD) and amended Law 4557/2018 (AML Law) taking a significant step in the treatment of virtual currencies.

In order to better adapt with the evolving trends in virtual currencies, the AML Law now:

- (a) defines “virtual currencies” as digital representations of value that are not issued or guaranteed by a central bank or a public authority, are not necessarily attached to a legally established currency and do not possess the legal status of currency or money, but are accepted by natural or legal persons as a means of exchange and can be transferred, stored and traded electronically;
- (b) includes the providers of exchange services between virtual and fiat currencies and custodian wallets (the “**Providers**”) in the entities that are subject to the AML Law requirements, including customer due diligence and reporting requirements;
- (c) establishes a register for Providers in Greece. The register is kept by the Hellenic Capital Market Commission (**HCMC**).

Entities already providing such services in Greece were called to register by 31 January 2021.

Any other entity intending to provide such services in Greece must first apply to the HCMC for their registration.

Entries of Providers in the relevant registers are published on the website of the HCMC.

The registration process is to be completed within 2 months from the submission of a complete file.

A Provider cannot provide the relevant services in Greece, if the HCMC refuses its registration.

It is noted that this registration does not constitute any type of authorisation by HCMC and should not be communicated as such to investors by the Providers.

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