

# An Overview of Countries on Crypto Licenses



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# INTRODUCTION

# Introduction

Cryptocurrencies are highly speculative investment tools that have earned the reputation of bringing investors large sums of profits faster than traditional investment means. As a result, more investors are entering the world of crypto to acquire profits, but there's more to it than meets the eye. For instance, the novelty of these assets and the technology surrounding them are challenging to use, leading to locked-up funds that are trapped forever. Moreover, the lack of understanding of the technology makes it easier for cybercriminals to scam investors and attack crypto storage facilities, leading to the loss of millions. Further, bad actors within crypto enterprises can run away with investor funds, as it is easier to do so with the nature of these funds than with highly traceable fiat currencies.

Thus, regulation is necessary for enterprises that handle currencies of such kind. Although it took some time for regulators of various jurisdictions to understand what cryptocurrencies are, regulations are being set for enterprises that deal with cryptocurrencies to prevent their investors from being defrauded and losing their funds. Furthermore, many countries are taking stringent measures to implement their oversight and protect investors from adverse events. Therefore, enterprises – mainly centralized crypto exchange and custodian providers – need to obtain licenses to operate in their jurisdiction, or they fear being shut down and having their assets blocked.



## Slava Demchuk

Co-founder of AMLBot, Founder of AMLSafe app, CEO of PureFi





# What Are Crypto Exchange Providers?

# What Are Crypto Exchange Providers?



**Crypto exchanges are the first point of contact for most users and investors, allowing them to buy cryptocurrency through traditional payment methods like debit cards and wire transfers.**

**Vasily Vidmanov**

Chief Operating Officer

Crypto exchange providers are platforms that allow users to acquire and trade cryptocurrencies. Users can buy listed cryptocurrencies with fiat money or trade another coin or token to obtain an equivalent worth of the desired cryptocurrency.

Exchange providers like Coinbase, Crypto.com, and Binance are popular exchange platforms that witness large amounts of traffic and trade volumes. Centralized entities operate the exchanges to make the market or match trade orders, even though the assets they facilitate in trading are decentralized.

Crypto exchanges are the first point of contact for most users and investors, allowing them to buy cryptocurrency through traditional payment methods like debit cards and wire transfers. Crypto exchange platforms resemble TradFi trading platforms, making them familiar and easy to use, attracting a large number of users keen on buying and trading cryptocurrencies. Certain crypto exchanges also provide custody services to their users, so they can conveniently store their assets with the same platform they acquired them from.



# What Are Crypto Custody Providers?

# What Are Crypto Custody Providers?



**Cryptocurrency storage is a hassle for most users because of the high chance of stolen funds. Therefore, custody providers securely store cryptocurrencies on the user's behalf, shielding the funds from cybercriminals and bad actors.**

**Andrew Aleksandrov**

Chief Commercial Officer

Crypto custody/wallet/storage providers hold user crypto assets robustly in their storages. They function like banks that hold user assets like cash, gold, and other valuables. Except, crypto custodians are specialized vaults meant for cryptocurrencies. Since cryptocurrencies are not tangible and one has access to crypto funds through the corresponding private keys, crypto custodians manage users' private keys for a fee. Most big-name crypto exchange providers also provide custody services to their clients, but all exchanges don't need to possess storage features.

Cryptocurrency storage is a hassle for most users because of the high chance of stolen funds. Therefore, custody providers securely store cryptocurrencies on the user's behalf, shielding the funds from cybercriminals and bad actors. In addition, popular crypto custody providers like BitGo, Choise, Coinbase Custody, and Anchorage are all insured, covering user funds in unfortunate cases of successful attacks launched at the platforms.



# VASPs

# VASPs



**Regulators worldwide are beginning to crack down on VASPs like exchange and custody providers operating without the oversight of the local financial authorities.**

**Nikolay Demchuk**

Certified AML Specialist

Collectively, regulators and authorities refer to crypto platforms like exchanges and custody providers as Virtual Asset Service Providers (VASPs). The terminology is used by legal authorities to cover a range of crypto platforms, businesses, and individuals involved in managing, holding, and virtual trading assets – cryptocurrencies – on behalf of other parties. Moreover, VASPs Exchanges and custodians are legally categorized as VASPs.

Regulators worldwide are beginning to crack down on VASPs like exchange and custody providers operating without the oversight of the local financial authorities. As a result, such businesses need to obtain licenses from their jurisdiction's regulator to operate within legal realms.



# Crypto Licenses and Who Issues Them

# Crypto Licenses and Who Issues Them



**Once the licenses are availed, Virtual Asset Service Providers (VASPs) can operate smoothly unless there are issues in regulation compliance after beginning operations**

Crypto licenses are now necessary, and those wanting to start a VASP can obtain them from the regulating body overseeing their jurisdiction – FinCEN (Financial Crimes Enforcement Network) in the US, for example. Obtaining them is not easy, however, as heavy scrutiny is done before issuing these licenses. Enterprises need to comply with all the regulations set by regulators, form competent compliance teams, and create effective Anti-Money Laundering, Counter Terrorist Financing and Know Your Customer policies – to name some. Once the licenses are availed, Virtual Asset Service Providers (VASPs) can operate smoothly unless there are issues in regulation compliance after beginning operations.

VASPs and other fintech companies often register with one regulating body in their jurisdiction that oversees their functioning and practices, like FinCEN in the US or CSA (Canadian Securities Administration) in Canada or any institution within the EU that issues a crypto license.

The registration process can vary depending on the country in the VASP is looking to operate.





# Registration

# Registration



**Further, most, if not all, countries generally require VASPs to register their companies within their jurisdictions and open a bank account in a bank within the same jurisdiction as well. Additionally, all jurisdictions require VASPs to prepare AML policies to combat risks associated with transferring crime-related funds.**

As more countries begin to acknowledge the influence of cryptocurrency, they are also addressing the protection consumers, and investors, need from entities providing crypto-related services and bad actors. Consequently, the financial regulators of different countries have begun introducing regulations and the need for approval to operate crypto exchanges and custodial services. The requirements to obtain the licenses vary from moderate to tough depending on which jurisdiction the enterprise is looking to set up shop in.

Depending on the jurisdiction, these licenses mostly come in two flavors – exchange licenses and storage (or custodial) licenses. The exchange license enables the holder to provide exchange-related services between cryptocurrencies and fiat or between various cryptos. In contrast, the storage license allows the holder to generate and secure private keys on behalf of investing customers. In addition, some jurisdictions may issue one license that broadly covers all service providers dealing with cryptocurrency.

Countries like the United Kingdom and Lithuania provide two licenses for VASPs, one allowing them to operate exchange services and the other allowing them to operate custody services. Ireland provides a single license that allows VASPs to operate as an exchange, custodian, or both. On the other hand, Switzerland holds four different types of licenses that VASPs can avail to operate in the country for varying purposes.

# Crypto Licenses in Various Countries

# Crypto Licenses in Various Countries

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
USA	Depends on the state	Financial Crimes Enforcement Network	Depends on the state (up to 1 year)	Depends on the state	1	Physical	Yes	No
UK	19%	Financial Conduct Authority	9 months	0	1	Physical	No	Yes
UAE	0%	ADGM – Financial Services Regulatory Authority DMCC – Virtual Assets Regulatory Authority	ADGM – 4 weeks DMCC – 4 months	ADGM – 6 to 12 months of operational expenses DMCC – AED 50,000	ADGM – 1 DMCC – 1	ADGM – Physical DMCC – Physical	No	No
Singapore	17%	Monetary Authority Of Singapore	1-2 months	SGD 100,000	1	Physical	Yes	Yes
Japan	30%	Financial Services Authority	6 months	JPY 10,000,000	1	Physical	No	Yes
Canada	15%	Financial Transactions And Reports Analysis Centre	Depends on the type of business	0	1	Physical	No	Yes
New Zealand		Financial Markets Authority	3 months		1	Physical	No	Yes
Lithuania	5-15%	Financial Crime Investigation Services	3-4 month	EUR 125,00	2	Virtual or Physical	No	Yes
Estonia	20%	Financial Intelligence Unit	6 months	EUR 100,000 or 250,000	1	Physical	Yes	Yes
Poland	15%	Tax Administration Chamber	1 month	5,000 PLN	1	Physical	Yes	No
Malta	35%	Malta Financial Services Authority	9 months	EUR 730,000	1	Physical	Yes	No
Czech Republic	19%	Czech National Bank	1 month	EUR 0.04	4	Physical	Yes	No
Bahamas	0%-2.5%	Securities Commission Of The Bahamas	Up to 6 months		1	Physical	Yes	Yes
Switzerland	11%-24%	Financial Market Supervisory Authority	8 months	CHF 100,000	4	Physical	Yes	Yes
Latvia	20%	Financial And Capital Market Commission	6 months	EUR 350,000	1	Physical	Yes	No

# United States of America



# United States of America

The US possesses one of the biggest cryptocurrency user bases in the world, and to complement that, many exchanges and blockchain mining pools. Despite extensive crypto use, several bodies like the SEC and CFTC have different opinions and definitions of crypto assets, causing confusion among investors and businesses. However, FinCEN, a department of the US Treasury, is the federal licensing body in the US that crypto enterprises need to register with as a Money Services Business (MSB) to obtain their money transmitter license. Beyond federal registration, crypto businesses must also register at the state level with every state they wish to operate in. This could be a complicated affair as different states have different regulations for virtual asset businesses.

Of course, FinCEN needs a large list of requirements to provide exchange licenses. Exchanges looking to obtain the license need to set up enhanced AML, KYC, and CFT guidelines preventing the possibility of illegal transactions through the platforms. If such transactions are suspected, they should be reported to the regulator at the earliest. In addition, the exchange must be a registered company in the US jurisdiction. Finally, it must maintain and submit records of all transactions while reporting each transaction over 10,000 USD as they happen.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
USA	Depends on the state	Financial Crimes Enforcement Network	Depends on the state (up to 1 year)	Depends on the state	1	Physical	Yes	No

# Applying For a Crypto License in the USA

Keeping the list of regulatory aspects in mind, enterprises can apply for a money transmitter license with FinCEN. Upon deeming the application satisfactory, the regulator will issue the license to the enterprise. This process can take a few weeks once all formalities are cleared, which are done in two different steps. Firstly, the enterprise needs to file an online application with the federal regulator – involving fee payment and maintenance of an agent list. Further, the enterprise needs to create an AML program in line with FinCEN's recommendations. These steps help enterprises obtain their federal license, but that is only the beginning. Enterprises must also obtain state-level licenses to meet the regulatory standards of every state they want to operate in.



# United Kingdom





# United Kingdom

The United Kingdom is another country where cryptocurrency services are strictly regulated, so much so that the jurisdiction is known for the difficult standards, it sets before giving out licenses. All businesses offering cryptocurrency services must register with the Financial Conduct Authority (FCA) to obtain their crypto license. It is to be noted that both crypto exchanges and storage providers obtain a similar license that enables them to offer their services.

Of course, being one of the tightest regulated jurisdictions for cryptocurrency, the FCA requires businesses to comply with a huge list of demands. Exchanges and storage providers must conduct strict AML and CFT risk evaluations surrounding clients, regions of operation, and their products or services. AML teams must be trained to monitor transactions and report suspicious ones, while a compliance officer heads the team and takes responsibility for full compliance. Like any other jurisdiction, crypto asset businesses regulated in the UK must implement KYC policies into their workflows.

Therefore, the UK's crypto regulator sets very high standards for enterprises to meet and is known to reject several applications submitted by those seeking to obtain licenses. For example, in March 2022, the FCA reported that it had rejected about 90% of the license applications it received.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
UK	19%	Financial Conduct Authority	9 months	0	1	Physical	No	Yes

# Applying For Crypto License in the UK

The stringent compliance requirements by the FCA need to be outlined when procuring a crypto license from the FCA. The process takes about three months to complete in most cases where the license is issued after stringent verification that includes checking overseas databases. In addition, detailed business and marketing plans and crucial business strategies, along with customer onboarding policies, must be submitted with the application. Finally, a designated enterprise member can be anyone with decent knowledge of AML legislation and must pass a test to prove the business's ability to comply with AML regulations.



# United Arab Emirates (AGDM And DMCC Free Zones)



# United Arab Emirates (AGDM And DMCC Free Zones)

With the immense economic development in various parts of the UAE, businesses are setting up operations in designated free zones. Crypto enterprises are also establishing their presence in these areas due to the immense benefits offered by the governments. Suitable taxation policies are a major driver for the growing presence of crypto and fintech businesses.

The Abu Dhabi Global Markets is a free zone in the capital of the UAE, which has the most developed regulatory framework for VASPs out of all the economic areas in the country. Kraken made news in early 2022 as it became the first global crypto exchange to receive the region's Financial Services Permission (FSP) license from the free zone's regulator FSRA (Financial Services Regulatory Authority).

Similarly, Dubai is witnessing a surge in crypto-related businesses setting up their operations in its free zones. For example, the Dubai Multi Commodities Centre free zone offers VASPs the Virtual Asset License from the VARA (Virtual Assets Regulatory Authority) to conduct exchange and storage services in the area, just like ADGM's FSP license.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
UAE	0%	ADGM – Financial Services Regulatory Authority DMCC – Virtual Assets Regulatory Authority	ADGM – 4 weeks DMCC – 4 months	ADGM – 6 to 12 months of operational expenses DMCC – AED 50,000	ADGM – 1 DMCC – 1	ADGM – Physical DMCC – Physical	No	No

# Applying For Crypto License in the UAE

Both free zones allow VASPs to obtain licenses through similar means. Along with license applications, the enterprises must submit a detailed business plan and a forecast of their growth for the subsequent year. Moreover, they must also submit detailed plans on policies regarding internal risks, fraudulent activities, and AML protocols. Exclusive to the DMCC free zone, storage providers need to hold capital for six months of the service's operations, and exchange platforms need to hold enough for twelve months.



# Singapore





# Singapore

The city-state of Singapore is a destination for several fintech businesses, as its forward-thinking regulatory environment has fostered digital payment technologies. Singapore's regulatory body and the central bank, called the Monetary Authority of Singapore (MAS) is the financial watchdog for the jurisdiction that registers entities offering crypto services according to the Payments Services Act (2019). Crypto exchanges and custodians must form AML, CFT, and KYC policies and implement them in their operations while setting up competent compliance teams to steer the business through best practices complying with the jurisdiction's regulations. Once the standards are met, enterprises can obtain the Capital Markets Service (CMS) license that allows them to operate legally in Singapore. The license comes in three variants – moneychanger, standard payment institution, and major payment institution licenses that are given to enterprises based on the amount of capital they handle and the risks they are exposed to.

Although Singapore's neutral stance on cryptocurrency allowed businesses and investors to operate easily, the turn of events leading to the 2022 bear market is pushing Singapore to tighten its regulations on crypto trading practices. This is a measure to protect investors from losing unscrupulous amounts of funds due to the risks associated with crypto markets. Crypto platforms will therefore need to adhere to additional regulations soon to operate in the country.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Singapore	17%	Monetary Authority Of Singapore	1-2 months	SGD 100,000	1	Physical	Yes	Yes

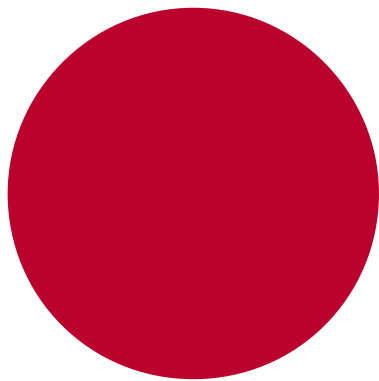
# Applying For Crypto License in Singapore

To currently register with MAS, the enterprise needs to submit applications from the board members, one of whom must be a Singapore resident. An additional condition is that the firm must have a registered office in the city-state. Moreover, business plans and other relevant organizational details must be submitted to the regulator. Finally, the enterprise needs to submit detailed documentation relating to AML and compliance practices to be adopted to prove its competence in preventing the flow of illegal funds through the platform.





# Japan



# Japan

Japan has always been one of the most crypto-friendly jurisdictions, promoting the use of digital assets and payment systems. The regulatory environment in the country is lenient and allows businesses with sufficient AML, CFT, and KYC procedures in check to obtain licenses. Of course, this doesn't mean it takes issues like money laundering and criminal financing lightly on platforms. Similarly, regulations to prevent the loss of stored user funds to thefts or enterprise-related mishaps are also enforced over businesses registered in the jurisdiction. However, the standards set are much easier to meet than in other jurisdictions, allowing businesses to obtain licenses far more easily than they would if they were seeking them in most other countries on this list.

Japan's financial regulatory body, the Financial Services Agency (FSA) authorizes VASPs like exchanges and custodians to operate legally in the country as they adhere to its regulations. Beyond the standard money-laundering checks, enterprises must meet the FSA's record-keeping standards and submit annual reports to the regulator.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Japan	30%	Financial Services Authority	6 months	JPY 10,000,000	1	Physical	No	Yes



# Applying For Crypto License in Japan

Enterprises can obtain their FSA license by providing relevant information regarding the operation's shareholders and professional experience. In addition, the business must possess an initial capital of 10Mn dollars – which must be proved to regulators. On top of that, organizational structure and business plans must be outlined in detail for them to assess. Finally, a comprehensive policy of AML, KYC, and compliance standards must be presented to gain approval for the crypto license.



# Canada





# Canada

Yet another crypto-friendly country, Canada, has always been a popular spot for all things crypto-related. It was one of the first countries to approve a Bitcoin exchange and is a hub for many crypto-mining activities. Canada's regulatory body, FinTRAC (Financial Transactions and Reports Analysis Centre of Canada) approves license applications of entrepreneurs and entities looking to provide cryptocurrency services in the country. The PCMLTF Act requires Money Service Businesses such as cryptocurrency platforms to create optimal AML and CFT frameworks to meet compliance requirements. Enterprises need to set up compliance and audit teams with component managers overseeing all practices within the bounds of regulatory rules.

Exchanges and custodians can apply for the MSB license, an approval granted by FinTRAC based on regulatory requirements. Upon obtainment, platforms can indulge in virtual asset services like exchange and storage.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Canada	15%	Financial Transactions And Reports Analysis Centre	Depends on the type of business	0	1	Physical	No	Yes

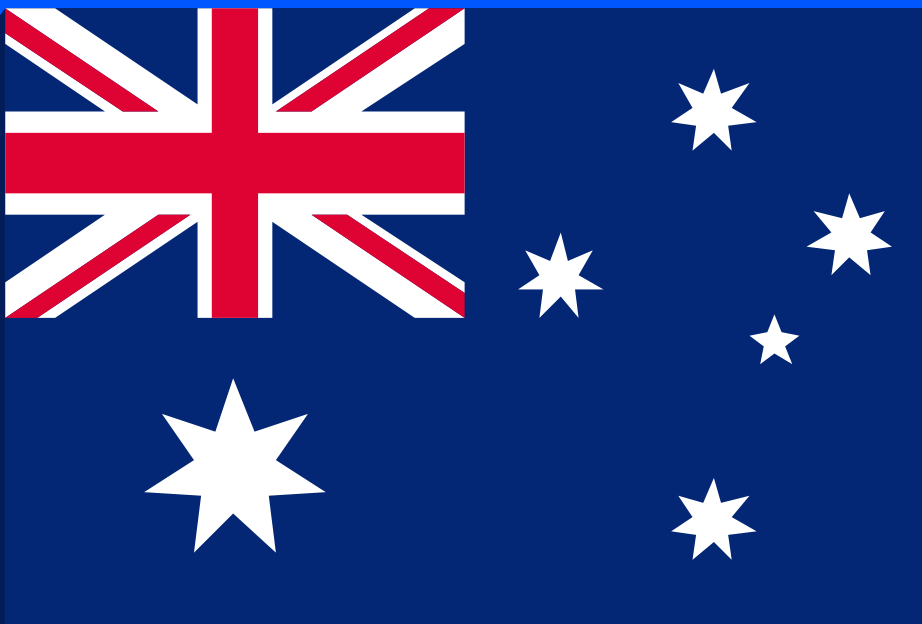


# Applying For Crypto License in Canada

While there is no specific crypto license in this jurisdiction, crypto enterprises can gain regulatory approval to operate with the issuance of the MSB license. To obtain the license, enterprises need to submit detailed AML and other internal risk policies along with detailed business plans at the time of application. In addition, a minimum share capital must be shown, and a certificate of non-criminal record of all shareholders must be submitted, after which stringent background checks are performed.



# New Zealand





# New Zealand

While around 25% of New Zealand citizens own and interact with cryptocurrencies, no specific laws are created to deal with these assets. Instead, the jurisdiction considers these assets securities and applies existing laws to collect revenue, protect investors, and more. Crypto exchanges and storages are services categorized as "operating a value transfer service" by the jurisdiction's regulator – Financial Markets Authority (FMA). Thus, exchanges and storages dealing with crypto assets require the same license as regular value transfer services to operate legally in New Zealand.

Crypto value transfer services must comply with laws such as the FMC Act 2013, AML/CFT Act 2013, and FSP Act 2008. While the guidelines to obtain a license aren't very strict, the enterprise must comply with AML obligations, register with the Financial Service Providers Register and comply with the FMC Act of 2013 to prevent misleading conduct and deceptive statements from being made to lure investors.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
New Zealand		Financial Markets Authority	3 months		1	Physical	No	Yes





# Applying For Crypto License in New Zealand

The first measure to obtain a license to operate in New Zealand as a crypto enterprise is to register the business in the country. New Zealand does not issue value transfer licenses to overseas firms. Then, like other jurisdictions, AML compliance strategies must be drawn out and assessed by the regulator. Further, the final stage of the process includes:

- The provision of documents and reports related to organizational structure.
- The kinds of technologies used to operate the business and secure it.
- Estimated growth analysis.

Once the regulator is satisfied with all the checks done throughout the process, the enterprise obtains its license to provide cryptocurrency-related services.



# Lithuania



# Lithuania

While obtaining a crypto license in one jurisdiction allows enterprises to operate in the European Economic Area, Lithuania is becoming the go-to country to obtain licenses required to set up shop for all kinds of European VASPs. The jurisdiction allows businesses to obtain required licenses easily. Its low corporate taxation for fintech enterprises makes it ideal for most, explaining the influx of crypto and other fintech businesses to the country.

The Financial Crime Investigation Services (FCIS) oversees regulation for crypto enterprises in the country and offers “Crypto Exchange” and “Depository Currency Wallet” Licenses, as they are referred to, to the crypto service providers registering within its domain. Although the requirements to obtain crypto licenses in the state were minimal, Lithuania has tightened regulations recently. It requires service providers to comply with its stricter AML laws for greater transparency. VASPs need to integrate AML, CFT, and KYC policies into their workflows and hire an AML officer within the jurisdiction to monitor transactions and funds on the enterprise platform.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Lithuania	5-15%	Financial Crime Investigation Services	3-4 month	EUR 125,00	2	Virtual or Physical	No	Yes



# Applying For Crypto License in Lithuania

For crypto businesses in Lithuania to obtain a license to operate, they need to register as a limited liability company in the country. Once the company registration is completed, they can apply for the crypto license by providing all necessary documents, including the details of the shareholders, the AML framework to be implemented, and practices followed while onboarding customers to the platforms.

The business must have a physical or virtual office in the jurisdiction. Virtual offices will not allow for the issuance of a license. The business registered in the country must have a minimum of one shareholder, one director, and one AML officer. The director can operate as the AML officer, considering they can perform their duties as the AML officer fairly. Neither of the personnel – the shareholder, director, and AML officer – are required to reside or be a national of Lithuania. Also, the company must have EUR 125,000 as a minimum share capital.



# Estonia



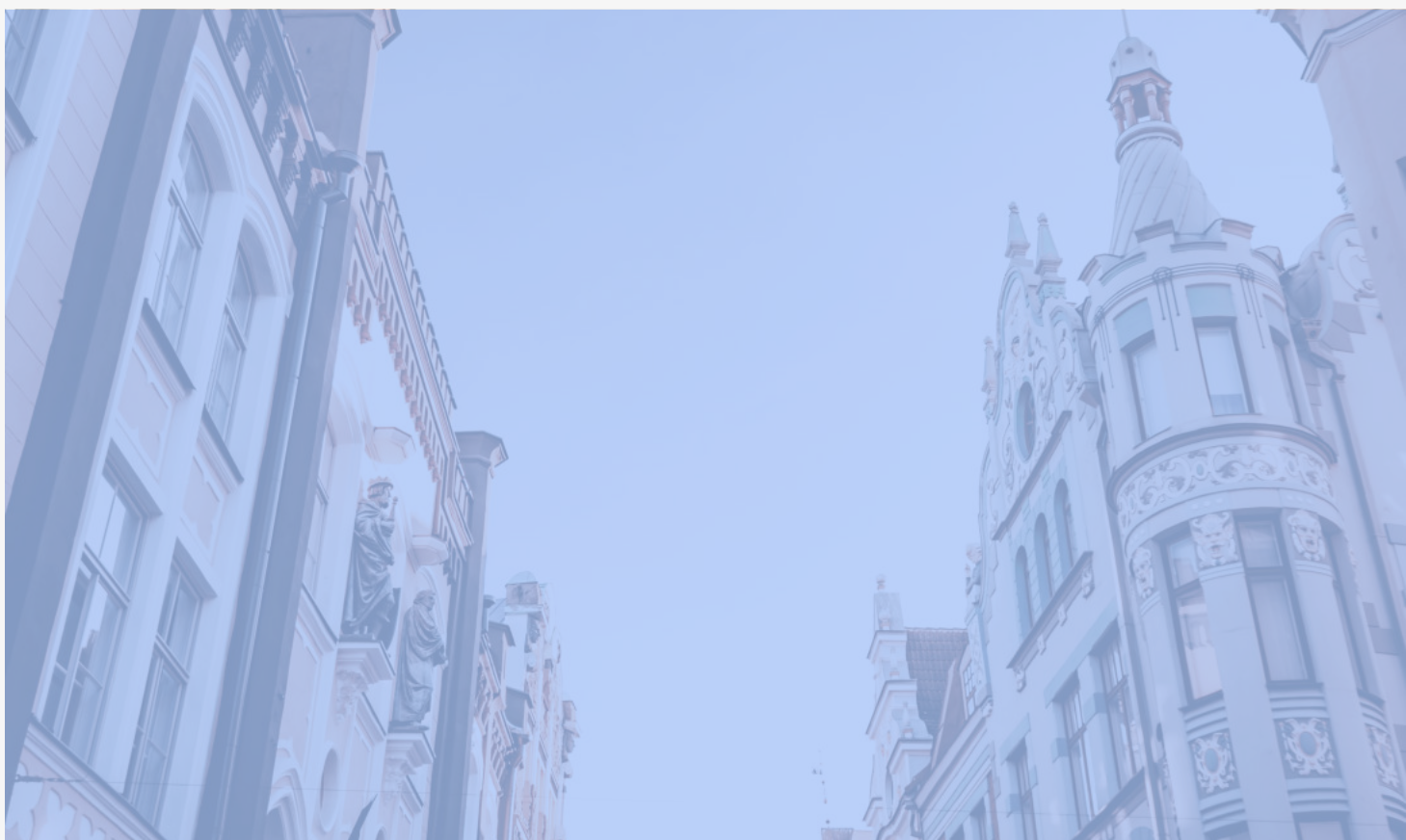


# Estonia

Like Lithuania, Estonia was a jurisdiction with lax frameworks for setting up fintech enterprises. Nevertheless, the burgeoning development of cryptocurrency led to a rapid growth of crypto service providers operating in the country. However, strengthening its laws concerning AML, CTF, and KYC frameworks have made the jurisdiction stricter in offering licenses to VASPs.

The Financial Intelligence Unit (FIU) is Estonia's regulating body governing financial markets, institutions, businesses, and digital asset companies like VASPs. The country has developed crypto-specific laws for companies dealing with assets powered by DLT. Its regulators previously issued two licenses for crypto businesses – the crypto exchange license and the crypto wallet license. However, it has now merged into one license issued to all kinds of VASPs known as the Virtual Currency Service Provider's license.

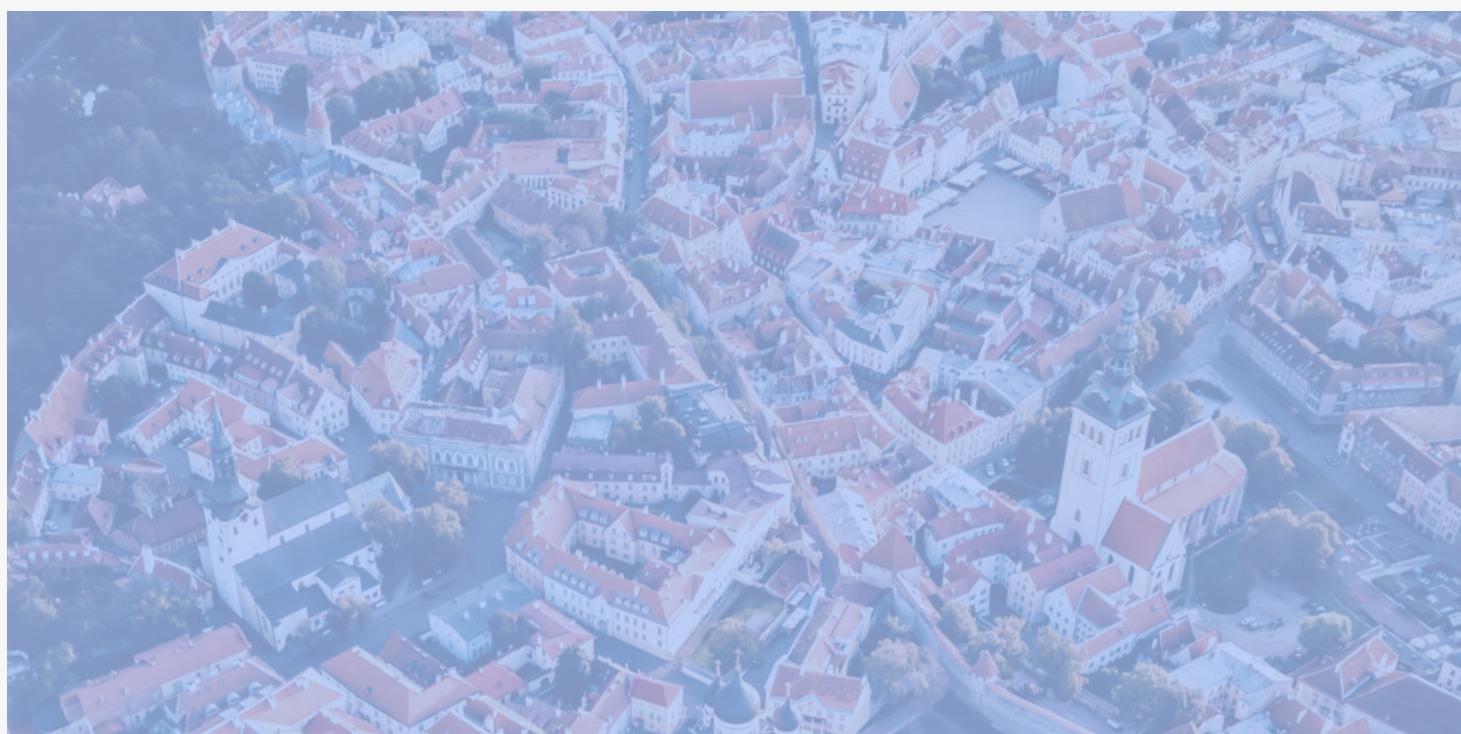
Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Estonia	20%	Financial Intelligence Unit	6 months	EUR 100,000 or 250,000	1	Physical	Yes	Yes



# Applying For Crypto License In Estonia

The Estonian regulations introduced in 2022 to breed better practices within the country's cryptocurrency market added several new requirements and made previous ones more stringent. VASPs need to apply with all relevant details of the company to the FIU of Estonia. The company must have a physical office space within the country's borders and have a bank account with a well-reputed bank in the European Economic Area. Well-defined AML, CFT, and KYC policies must be formulated to prevent any risks associated with illegal activities. Moreover, a detailed two-year plan about the organizational structure and strategy for growth must be submitted with the application.

The company must hire individuals with relevant qualifications and experience for their positions. This includes a highly competent AML officer overseeing transactions and enforcing AML policies upon the company's processes. Furthermore, one of the people in the managerial roles must be an Estonian national, and everyone in the company's managerial and decision-making roles must have a clean criminal record. In addition, Crypto storage and exchange services must possess a share capital of at least EUR 100,000 in their Estonian bank account. The VASP shall receive its license within 3 months of applying if it is approved.



# Poland





# Poland

The Poland jurisdiction has become a hub for crypto businesses and companies thanks to its liberal registration standards and process. The Polish government introduced AML legislation in 2021 to prevent using cryptocurrencies for nefarious activities or launder crypto assets for criminal activity. Poland's financial authority, the Tax Administration Chamber (TAC), is responsible for registering VASPs into its Registry For Virtual Currencies. It is also known for its fast processing of its applications. The Polish Financial Supervision Authority oversees the crypto markets to enable legal and smooth operations. Eligible VASPs receive their TAC registration within two weeks of submitting their applications. It is to be noted that there is no specific license by nomenclature in Poland, but the acceptance of the platform into the TAC licenses it to operate as a VASP.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Poland	15%	Tax Administration Chamber	1 month	5,000 PLN	1	Physical	Yes	No



# Applying For Crypto License In Poland

Despite Poland's reputation as a crypto-friendly jurisdiction, the concerned authorities impose stringent legislation requiring VASPs to set up AML, CTF, and KYC policies to obtain licenses. Additionally, the company must regularly submit AML reports to the authorities and report any risk it identifies.

Beyond money laundering requirements, companies must be incorporated within the jurisdiction and establish a physical office. In addition, they must have a capital amount of EUR 1,077 in a local bank account. The regulator also advises companies to employ a citizen of Poland in a lead role in the company's operations. Furthermore, all individuals employed must possess a clean criminal slate. Further, the employees must be well qualified and experienced in their line of work – their qualifications must be submitted to the regulator. Finally, the company needs to provide its business plan and strategies for growth. Upon approval, the VASP can obtain its license in 1-2 months.



# Malta



# Malta

Malta is one of the early adopters of cryptocurrency in the EU, creating a legal framework for crypto businesses that was consequently followed by other nations. The Malta Financial Services Authority (MFSA) oversees the industry and is the issuing body of licenses for VASPs.

Malta's crypto-specific Virtual Finance Assets Act was created to bring in regulatory measures for the industry and adopts various measures to approve crypto licenses to VASPs. The VFA Act allows for three kinds of registrations – registering as a VFA agent for intermediating between the licensing body and VASPs, registration of the VASP's application, and the registration of the VASP's whitepaper. Upon successful registration, the jurisdiction grants VASPs a single license meant for exchange and storage purposes. The VASP can legally operate within Malta by providing all or any services they are entitled to by the license.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Malta	35%	Malta Financial Services Authority	9 months	EUR 730,000	1	Physical	Yes	No





# Applying For Crypto License In Malta

Although the jurisdiction issues a single license for exchange and custody purposes, the license is categorized into four different classes. Class 1 license allows VASPs to receive and transfer client funds and provide consultation services to them. The license costs a one-time fee of EUR 3000 and an annual fee of EUR 2750. Class 2 license allows VASPs to transact and store funds from national and foreign clients – investing it and operating peer-to-peer exchanges. It costs a one-time fee of EUR 5,000 and an annual fee of EUR 4,500. Class 3 license offers companies the privilege to trade funds from their accounts. It comes with a price point of EUR 7,000 as a one-time down payment and an annual fee of EUR 6,000. Finally, the class 4 license allows VASPs to operate full-scale centralized exchanges and hold crypto assets with no cap. They start at a price point of EUR 12,000 as a one-time payment, followed by an annual fee of EUR 25,000.

To obtain any of the licenses, a company must apply for registration with the jurisdiction's regulator. The company needs to be registered and have a physical office in Malta. Business plans and a detailed whitepaper describing how the project will operate need to be submitted alongside the application. The company must hire at least two directors and a compliance officer to help set up and enforce AML policies. The company must possess a minimum share capital extending to EUR 730,000. The application fees can cost companies around EUR 75,000.

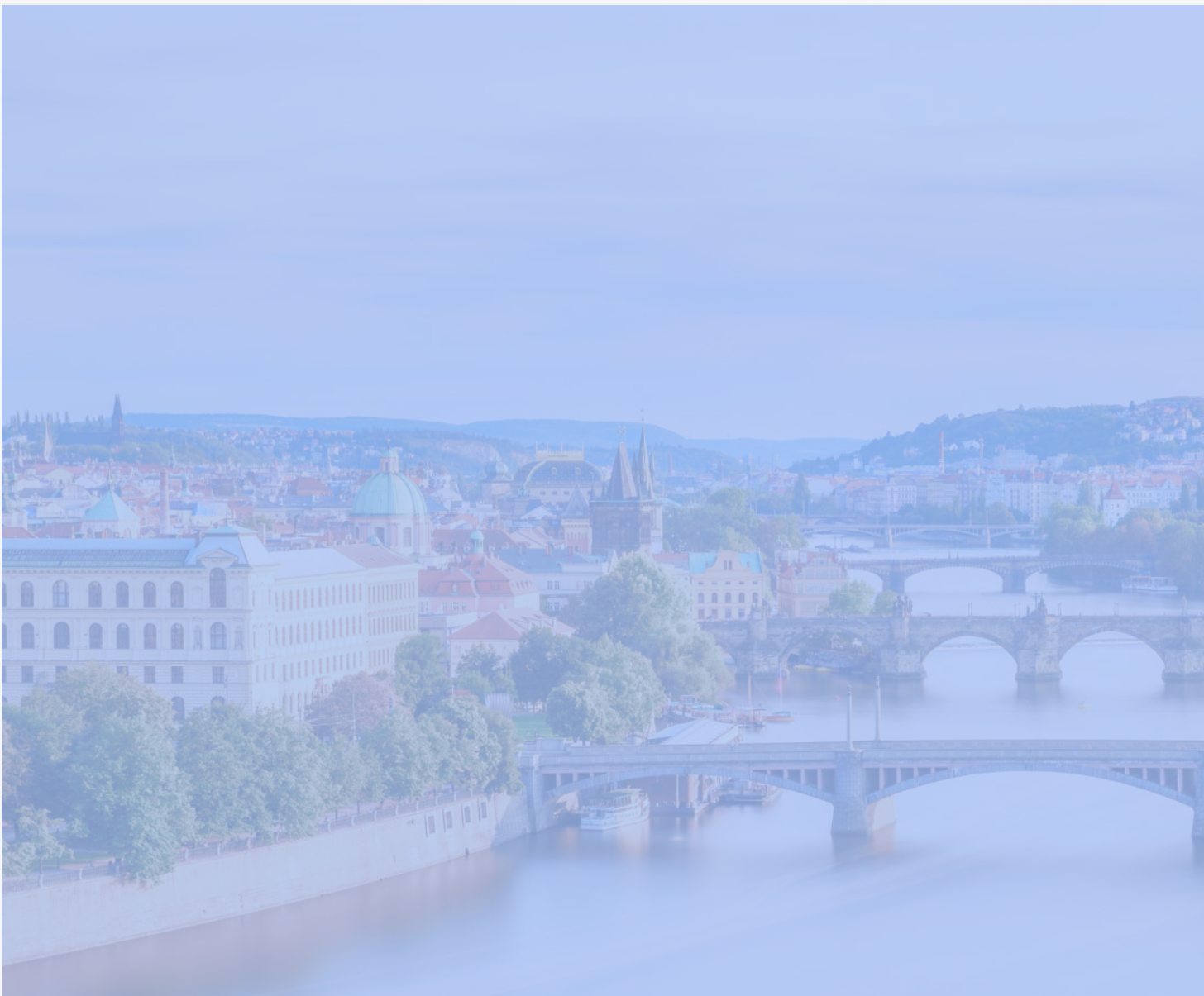
# Czech Republic



# Czech Republic

The Czech Republic is another European jurisdiction liberal with cryptocurrency use and crypto business operations. All regulations are set in stone for crypto businesses and VASPs. However, the country recommends that VASPs adhere to the AML, CTF, and KYC stipulations recommended by the EU. However, the Czech National Bank (CNB) does general oversight of crypto companies.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Czech Republic	19%	Czech National Bank	1 month	EUR 0.04	4	Physical	Yes	No



# Applying For Crypto License In The Czech Republic

No regulatory framework for crypto exists in this jurisdiction yet. Regardless, VASPs must adhere to the jurisdiction's AML, criminal, and sanction laws. The country is responsible for tremendous growth in the crypto industry thanks to multiple governmental and non-profit crypto incubation programs that help with funding and product development. The CNB issues four different types of crypto licenses to VASPs.

The classic crypto license lets companies exchange different cryptocurrencies. For example, the fiat-crypto license enables them to convert fiat money to crypto and vice versa. The standard crypto license is used by companies operating as full-fledged crypto exchanges, accepting currencies from various countries in exchange for cryptocurrencies and back. Finally, the specialized license allows companies to generate and store cryptographic private keys on behalf of the client, therefore acting as a custodian.

VASPs can apply for any of the licenses they require for their operations by following steps dictated by the regulatory bodies. First, the VASP needs to have a registered company and a physical office in the Czech Republic. It needs to further open a corporate bank account in the jurisdiction where it can only deposit a nominal market share amount of EUR 0.04. The fee for the application process, however, is EUR 243. The company must also set up AML policies, enforced and overseen by a local compliance officer. The policies must follow the recommendations provided by the country's AML overseer – The Financial Analysis Unit. Finally, the company must provide proof of directors and managerial personnel being clean of past and present criminal activities. Considering the application and requirements sufficient, the CNB issues licenses within 1 month of applying.



# Bahamas

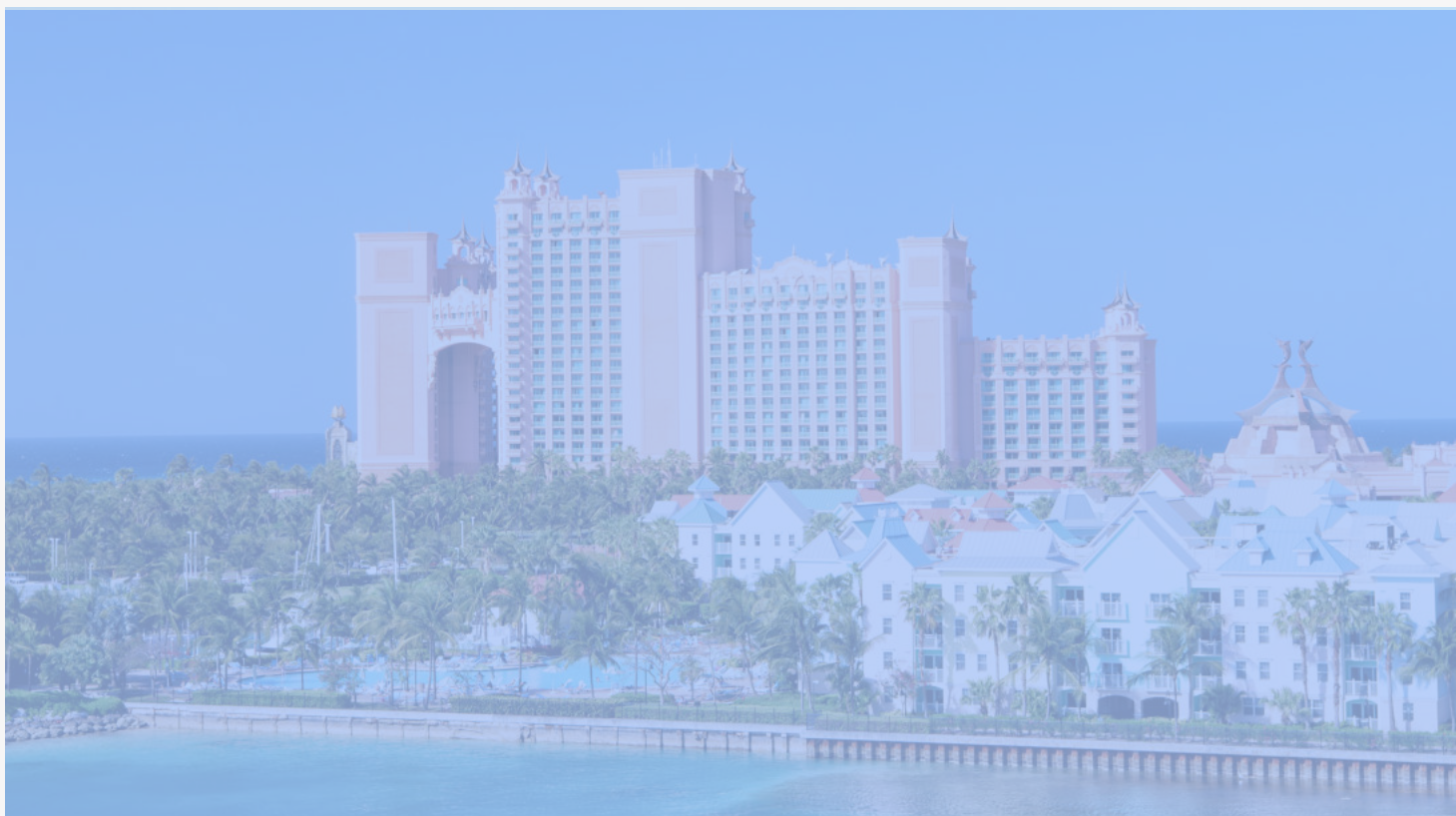


# Bahamas

The Bahamas is a highly optimistic jurisdiction about mainstream cryptocurrency adoption in the state. As a result, the government is rolling out measures for residents to pay their taxes in cryptocurrencies. However, the government's optimism is contrasted by the regulator's prudence and its consequent measures taken to keep the ill effects of cryptocurrency usage out of the jurisdiction. Regardless, the stringent regulations are making it possible for the safe operations of VASPs and crypto companies, welcomed by the government.

The Securities Commission Of The Bahamas (SCB) is the regulating body governing the state of the crypto industry in the jurisdiction. It introduced the DARE (Digital Assets And Registered Exchanges) Bill in 2019 to bring regulatory oversight for the crypto businesses operating there. The DARE bill allows for VASPs like exchanges, custodians, and more to apply for a standard crypto license that allows them to carry out their operations.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Bahamas	0%-2.5%	Securities Commission Of The Bahamas	Up to 6 months		1	Physical	Yes	Yes



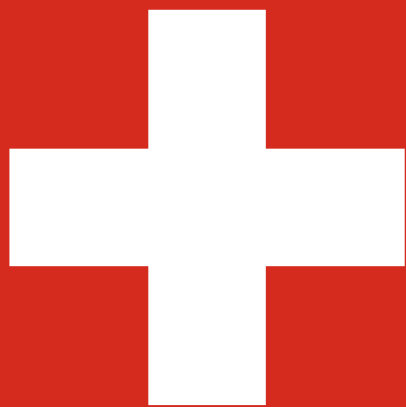
# Applying For Crypto License In The Bahamas

The company looking to conduct exchange or custody services with crypto assets must be registered in the Bahamas and thoroughly vetted by the SCB. A detailed business plan with financial and operational projections, organizational structure, and technological requirements must be provided. Additionally, the pricing of services and other fees must be submitted to the regulator.

Details about directors, shareholders, and AML personnel must be provided. Individuals opted for the roles must be competent and possess no prior or present association with criminal activity. Risk assessments must be done, and AML, CFT, and KYC policies must be created and presented to the regulator. Frequent audits of the company's finances must be provided along with reports of all transactions. Transactions trading on the riskier side must be informed to the regulator immediately. The company must be insured against events leading to the loss of funds it handles, stores, or manages. Further, the company must always possess enough capital to offset the chances of insolvency – proof of which needs to be submitted at the time of registration.



# Switzerland



# Switzerland

Switzerland is known as the friendliest crypto country in the world. Legislators in the jurisdiction have laid out laws that allow for innovation within the crypto industry, rather than hindering it. Moreover, cryptocurrencies are considered legal tender in the country.

The country consists of the strongest crypto communities and developer bases, responsible for creating several crypto projects to achieve massive success – Ethereum being the best example.

Switzerland's DLT Act is a well-formulated crypto legislation that covers various aspects of blockchain technology like token generation, tokenization of assets, exchange of cryptocurrencies, and crypto custody. In addition, the Financial Market Supervisory Authority (FINMA) regulates businesses operating within the realm of the crypto industry.

The regulator issues **four different crypto licenses** depending on the activity in which the VASP is involved. The financial transaction license allows VASPs to hold up to 100 million dollars worth of digital assets and trade them for other assets. However, the funds in storage cannot be used for investment purposes, nor can the VASP pay-out interest on the stored funds. Second, the banking license allows VASPs to accept unlimited deposits with no cap on the number of funds they can welcome and store. Third, the investment license allows VASPs to invest customer crypto funds into money-making instruments to generate profits. And finally, the country's DLT (Decentralized Ledger Technology) license allows for VASPs to operate as multilateral trading venues and function as full-fledged exchange entities.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Switzerland	11%-24%	Financial Market Supervisory Authority	8 months	CHF 100,000	4	Physical	Yes	Yes



# Applying For Crypto License In Switzerland

To register with the regulator, the company must possess a share capital of at least EUR 300,000. It must be registered in the jurisdiction as an AG company and have a physical office in the country. A minimum of one director and shareholder, who are citizens of Switzerland, are mandatory. Additionally, a compliance officer to audit transactions and report risks must be a part of the organizational structure. AML, CFT, and KYC policies must be created for the AML officer to enforce and in line with the Swiss Anti-Money Laundering Act. After applying all the needed information, the regulator takes about 8 months to process and issue the relevant crypto license.



# Latvia



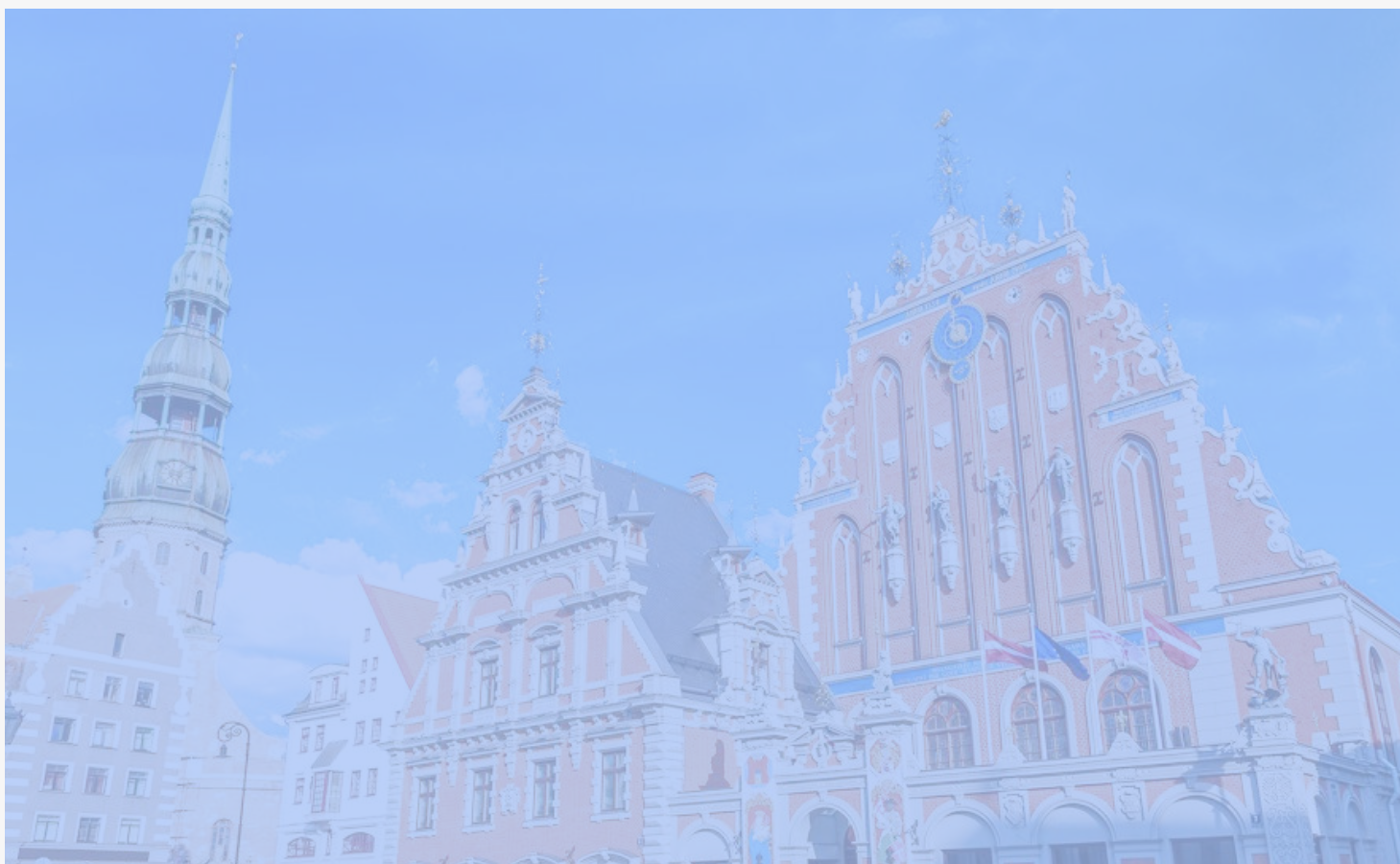


# Latvia

Latvia is a jurisdiction with a small number of VASPs operating in it. The country has yet to witness crypto adoption like other European countries and those worldwide. The jurisdiction presently has no specific regulations for cryptocurrencies, nor do they have specific licenses issued to VASPs. However, the existing financial laws and regulations for TradFi and FinTech businesses are enforced upon VASPs.

VASPs must register with Latvia's Financial And Capital Market Commission (FCMC) and obtain the EMI license issued to all electronic money-transmitting businesses. While the country presently lacks crypto-specific regulations, it is in the process of consulting and developing the necessary frameworks.

Country	Corporate Tax	Regulator	Time To Obtain	Initial Share Capital	No Of Licenses	Office Type	Local AML Officer	Residing Director
Latvia	20%	Financial And Capital Market Commission	6 months	EUR 350,000	1	Physical	Yes	No



# Applying For Crypto License In Latvia

VASPs applying for Latvia's EMI license must possess a share capital of EUR 350,000 and provide proof to the regulator. The company must be registered in Latvia and maintain a physical office within the jurisdiction. The company's management personnel and board members must be free of criminal history and be suitable in experience and skill to function in their roles. A compliance officer heading a team to oversee the company's risk aversion and reporting practices is required. The AML officer will enforce the company's AML, CTF, and KYC policies, which must be deemed suitable by FCMC standards at the time of registration. The FCMC issues the license within six months of application submission if all criteria are met.





# CONCLUSION

# Conclusion

The rising interest in crypto assets and the innovation cryptocurrencies and blockchain technology brings to the table is hard to ignore. As a result, governments worldwide have either implemented or are implementing regulatory frameworks to govern the use of crypto assets and businesses built around them. The regulatory requirements vary from region to region, each with its benefits and drawbacks.

As a crypto business, one must consider various factors to decide on the ideal jurisdiction and license type to suit their requirements. Acquiring a crypto license is crucial for operating a crypto business, as it ensures compliance with the applicable laws and fosters trust among the customers.

Applying for a crypto license requires careful consideration and compliance with all requirements. The issue of a crypto license will depend on factors like company type, place of registration, nature of business, turnover, and even liquidity or security deposit, depending on the jurisdictions. The AMLBot team has extensive experience and understanding of global crypto regulations and requirements to receive a crypto license. Our services will allow businesses to register for a crypto license in the proper jurisdiction. Contact the AMLBot team for additional information and consultation

1. Register of Enterprises of the Republic of Latvia.  
<https://www.ur.gov.lv/en/about-us/>
2. VIRTUAL FINANCIAL ASSETS ACT  
<https://legislation.mt/eli/cap/590/eng/pdf>
3. Cyprus Securities and Exchange Commission Annual Report 2020  
<https://www.cysec.gov.cy/CMSPages/GetFile.aspx?guid=fc1c2053-9b70-4739-b285-ecf92fd087ca>
4. Law on Prevention of Money Laundering and Financing of Terrorism  
<https://www.fi.ee/en/finantsinspeksioon/prevention-money-laundering-general>
5. Law on the Prevention of Money Laundering and Financing of Terrorism in Lithuania  
<https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/2c647332ba5111eb91e294a1358e77e9?jfwid=twcznlk4w>
6. Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017  
<https://www.legislation.gov.uk/uksi/2017/692/contents/made>
7. Law on Combating Money Laundering in Czech Republic  
<https://www.zakonyprolidi.cz/cs/2008-253>
8. Federal Act on the Adaptation of Federal Law to Developments in Distributed Ledger Technology in Switzerland  
<https://www.news.admin.ch/newsd/message/attachments/60601.pdf>

# Checking wallets for illicit funds

## About AMLBot

Online scoring of crypto assets and transactions founded in 2019 by a team of certified AML specialists in line with FATF recommendations. Our goal is to create an honest and transparent crypto market and to make available to everyone a tool to protect their reputation and assets.



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