

APCC Crypto Working Group Minutes

Thursday 27th June 2019 at the Offices of BDO, 150 Aldersgate Street, London, EC1A 4AB

Present

Ben Mason – Compliancy Services, Working Group Chair	Harry Moule – Duff and Phelps
Richard Farr – Telos Solutions, Working Group Deputy Chair	Carwyn Evan – CCL Compliance (dial in)
Gabby Holloway – APCC Operations Manager	Vladimirs Remi – SORQ (dial in)
Nick Andrews – MPAC Consultancy	James Kaufmann – Howard Kennedy (dial in)
Munim Chowdhury – BDO	
Daniel Tunkel – Memery Crystal	

1) Introductions. Round table. 1-2-minute overview from each committee member:

Ben opened the meeting by thanking everyone for joining the Working Group. The groups objectives were identified in the Terms of Reference.

By way of initial introduction, Ben asked each individual to explain their personal involvement and views on Crypto.

There was a discussion on the nature of client work group that compliance consultants are being asked to carry out, which appears to be wide ranging. The group also discussed terminology: “crypto currency”, “crypto assets”, “virtual assets”, “digital assets” etc. The term “crypto” is being used as this is the term the regulator appears to use most.

2) What should happen to UK regulation of crypto?

The group shared and discussed recent Crypto experiences they have had with the regulator. The general consensus of the groups feedback was that the regulator had been extremely slow and was very prudent in progressing applications for any firm involved in crypto.

Ben advised that the APCC Authorisations Working Group have asked the FCA for more clarity regarding the subject. However, the FCA appears to be in a holding pattern, with no strong views expressed by the FCA other than a list of issues for applicant firms to be aware of, which are generic issues.

The group discussed the preferred approach to regulation in the UK, given the current impasse.

Different views were expressed, with most, but not all, working group members feeling that crypto currencies used as payments instruments should be regulated as payments instruments and crypto assets used as investment instruments should be regulated as investment instruments. The current frameworks under the RAO and PSRs should be broadly applicable.

APCC Crypto Working Group Minutes

Thursday 27th June 2019 at the Offices of BDO, 150 Aldersgate Street, London, EC1A 4AB

A discussion was held on the international dimension and approach to regulation of crypto. While there was strong advocacy for an international approach, some members felt the waiting for international coordination was holding the UK up and many other jurisdictions had acted already.

The implementation of 5MLD was also discussed and a short report received on a recent 5MLD consultation meeting at HMT.

In order to further progress a formal view on future regulation, the working group agreed to develop a survey to canvass members opinions. Ben to progress.

The group would share useful references with each other in addition to those already circulated.

3) Crypto Working Group's activities – what can we achieve

The expectation is that the working group can work to support the development of policy in the UK by responding to consultations, joining in industry debate and potentially meeting regulators.

More to come in this area in future meetings.

4) Confirmation of Working Groups TOF and Next Steps

The group reviewed and agreed the working groups terms of reference. The working group are to consider developments from the regulator and respond where they see fit.

The group are to meet every quarter.

NEXT MEETING – Thursday 19th September 11.30am – 13.00pm