

Blockchain & Cryptocurrency Regulation 2025

Seventh Edition

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TABLE OF CONTENTS

Preface

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Glossary

The Contributing Editor shares key concepts and definitions of blockchain

Foreword

Karen Scarbrough
Enterprise Ethereum Alliance

Industry Viewpoint

- 1** **On crypto, blockchain, and the turning of corners**
Ron Quaranta
Wall Street Blockchain Alliance

Expert Analysis Chapters

- 8** **Blockchain and intellectual property: A case study**
Ieuan G. Mahony, Brian J. Colandreo & Jacob Schneider
Holland & Knight LLP
- 24** **Cryptocurrency and other digital asset funds for U.S. investors**
Gregory S. Rowland & Trevor Kiviat
Davis Polk & Wardwell LLP
- 37** **Regulating the unseen: Limiting the potential for negative externalities from MEV realization**
Tom Momberg & Angela Angelovska-Wilson
DLx Law PLLC
- 59** **Legal considerations in the minting, marketing and selling of NFTs**
Stuart Levi, Eytan Fisch, Alex Drylewski & Dan Michael
Skadden, Arps, Slate, Meagher & Flom LLP
- 82** **The regulation of stablecoins in the United States**
Douglas Landy & Chanté Eliaszadeh
White & Case LLP
- 96** **Battle for the Planet of the Bored Apes: Regulation of digital assets**
Richard B. Levin, Matthew G. Lindenbaum & Robert L. Lindholm
Nelson Mullins Riley & Scarborough, LLP

- 117** **Digital asset litigation defence: Leveraging the statutory seller requirement**
Matthew Solomon, Thomas Bednar, Samuel Levander & Andrew Khanarian
Cleary Gottlieb Steen & Hamilton LLP
- 125** **Trends in the derivatives market and how recent fintech developments are reshaping this space**
Jonathan Gilmour & Tom Purkiss
Travers Smith LLP
- 135** **Blockchain taxation in the United States**
David L. Forst & Sean P. McElroy
Fenwick & West LLP
- 145** **OFAC sanctions and digital assets: Regulation, compliance, and recent developments**
David M. Stetson, Evan T. Abrams, Andrew C. Adams & Sophia Breggia
Steptoe LLP
- 159** **Restaking and the evolution of blockchain security**
Sarah Chen, Lewis Rinaudo Cohen & Gregory Strong
Cahill Gordon & Reindel LLP
- 169** **Digital asset mergers and acquisitions**
William E. Turner II, Rebecca Jack, Thania Charmani & Sara Susnjar
Winston & Strawn LLP
- 186** **Accounting considerations for cryptoassets**
Sean Stein Smith
The City University of New York

Jurisdiction Chapters

- 195** **Australia**
Peter Reeves, Emily Shen & Jade McGlynn
Gilbert + Tobin
- 209** **Austria**
Thomas Kulnigg, Marco Thorbauer & Michael Schmiedinger
Schoenherr Attorneys at Law
- 216** **Bermuda**
Steven Rees Davies, Charissa Ball & Alexandra Fox
Carey Olsen
- 228** **Brazil**
Luiz Felipe Maia, Flavio Augusto Picchi & André Napoli
Maia Yoshiyasu Advogados

- 245 British Virgin Islands**
Chris Duncan & Katrina Lindsay
Carey Olsen
- 253 Canada**
Alix d'Anglejan-Chatillon, Ramandeep K. Grewal, Éric Lévesque & Antonin Lapointe
Stikeman Elliott LLP
- 265 Cayman Islands**
Alistair Russell & Chris Duncan
Carey Olsen
- 273 Estonia**
Priit Lätt & Rainer Urmas Maine
TGS Baltic
- 284 France**
Hubert de Vauplane, Victor Charpiat & Hugo Bordet
Kramer Levin Naftalis & Frankel LLP
- 295 Gibraltar**
Jay Gomez, Javi Triay, Rupert Moffatt & Johnluis Pitto
Triay Lawyers Limited
- 303 Greece**
Dr. Anastasia Mallerou
Bernitsas Law
- 312 India**
Reddy Pawan Kumar & Athif Ahmed
Hash Legal
- 323 Ireland**
Keith Waine, Caoimhe Costello & David Lawless
Dillon Eustace LLP
- 334 Israel**
Uri Zichor
FISCHER (FBC & Co.)
- 347 Japan**
Takeshi Nagase, Takato Fukui, Keisuke Hatano & Huan Lee (Henry) Tan
Anderson Mori & Tomotsune
- 357 Liechtenstein**
Matthias Niedermüller & Giuseppina Epicoco
Niedermüller Attorneys at Law
- 368 Lithuania**
Vladimiras Kokorevas
Gofaizen & Sherle UAB

- 379 Mexico**
Carlos Valderrama & Arturo Salvador Alvarado Betancourt
Legal Paradox®
- 390 Norway**
Mads Ribe, Philip Heyden, Rasmus Jørgensen & Gjert Melsom
Ernst & Young Advokatfirma AS
- 401 Poland**
Mihhail Šerle
Gofaizen & Sherle Sp. z o.o.
- 410 Portugal**
Filipe Lowndes Marques, Vera Esteves Cardoso & Ashick Remetula
Morais Leitão, Galvão Teles, Soares da Silva & Associados
- 424 Romania**
Sergiu-Traian Vasilescu, Luca Dejan & Bogdan Rotaru VD Law Group
Flavius Jakubowicz JASILL Accounting & Business
- 439 Singapore**
Kenneth Pereire & Lin YingXin
KGP Legal LLC
- 449 Spain**
Alfonso López-Ibor Aliño, Olivia López-Ibor Jaume, Victoria Moreno Motilva & Santiago Alsina Gil
López-Ibor Abogados, S.L.P.
- 458 Switzerland**
Daniel Haeberli, Stefan Oesterhelt & Alexander Wherlock
Homburger
- 474 Taiwan**
Robin Chang & Eddie Hsiung
Lee and Li, Attorneys-at-Law
- 481 Thailand**
Jason Corbett & Don Chaiyos Sornumpol
Silk Legal Co., Ltd.
- 491 Turkey/Türkiye**
Şevki Özgür Altındaş, Merve Kütükçüoğlu Karpuzcu & Elif Öksüzler
Aksan Law Firm
- 502 United Kingdom**
Charles Kerrigan, Mike Ringer, Matthew Nyman & Anna Burdzy
CMS LLP
- 518 USA**
Josias N. Dewey & Samir Patel
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Government attitude and definition

Introduction

Liechtenstein is widely recognised as a very crypto-friendly jurisdiction, and the Government was quick to acknowledge the potential advantages of blockchain technology and distributed ledger technology (“**DLT**”). Understanding the need for a regulatory framework, the Government established a workgroup in early 2018 tasked with creating a sustainable legal structure for blockchain technology. By the beginning of 2019, proposals for the Blockchain Act were being discussed, and by fall 2019, the law was passed and came into force in January 2020.

The Blockchain Act (officially known as the Law on Tokens and Trusted Technology (“**TT**”) Service Providers, or “**TVTG**”) provides a comprehensive and technology-neutral approach to regulating the entire token economy. On the one hand, it regulates the rights and obligations of certain clearly defined service providers who perform activities on TT systems. They are subject to license and supervision by Liechtenstein’s Financial Market Authority (“**FMA**”). On the other hand, the TVTG creates a new civil law for cryptoassets and a legal basis for the ownership, possession, and disposition rights over cryptoassets. By also regulating the civil law aspects of cryptoassets in a so-called Token Container Model (“**TCM**”), Liechtenstein took a pioneering role in the EU and thus created the first comprehensive legal framework and legal certainty for the tokenisation of “real-world assets”. Also, the TVTG partly acted as a role model for regulation at EU/EEA level.

The Government and the FMA as the competent regulator generally take a progressive and open approach to cryptoassets and the blockchain space in general and provide substantial support to enable the building of a token economy. The Government with the Office for Financial Market Innovation and the FMA with the Regulatory Laboratory and Department for Finance Innovation created their own departments that are dedicated to dealing with fintech and innovation in the financial markets in general.

In general, Liechtenstein’s continued open and progressive approach has received substantial attention in international media and also spurred interest in establishing fintech and in particular blockchain-related businesses in the country. Factors such as flexible corporate law, an attractive tax regime, and dual access to the EU/EEA and Swiss markets make Liechtenstein a desirable location for new business ventures. Furthermore, the small size of the country generally provides flexibility and short decision-making paths.

MiCA

It is well known that the Markets in Crypto-Assets Regulation (“**MiCA**”) entered into force on 29 June 2023 and will become fully applicable within the EU from 30 December 2024. Given that Liechtenstein is an EEA Member State, MiCA will also be applicable in Liechtenstein and will replace many provisions of the TVTG.

In Liechtenstein, MiCA and the EEA MiCA Implementation Act are expected to be effective from 1 February 2025. The FMA and the Government are focusing heavily on the quick implementation of MiCA and enabling businesses to obtain licences quickly.¹ The FMA will accept pre-applications for MiCA licences starting from October 2024.

MiCA sets forth licensing requirements for certain cryptoasset service providers (“**CASPs**”). CASPs encompass a range of activities, including custody and administration of cryptoassets for clients, operating trading platforms, exchanging cryptoassets for fiat or other cryptoassets, executing orders, placing and transferring cryptoassets, providing advisory and portfolio management services, as well as facilitating transfer services on behalf of clients. These activities covered by MiCA are already largely regulated in the same manner by the nationally applicable TVTG, which was updated in February 2024 to align with MiCA.

However, MiCA does not include any regulations on the civil law aspects of cryptoassets or tokens. It is therefore entirely at the discretion of each EU Member State to establish a corresponding legal basis. As mentioned, the TVTG already provides a comprehensive civil law basis for the creation, ownership and transfer of cryptoassets. This part of the TVTG will remain in force even after MiCA comes into force in Liechtenstein for all cryptoassets, irrespective of whether they are covered by MiCA or not.

Cryptocurrencies are not legal tender

In Liechtenstein, cryptocurrencies do not qualify as legal tender. Consequently, cryptocurrencies are not considered “money” in a narrow sense. Depending on the specific design of the cryptoasset, it may be qualified as e-money under the Liechtenstein E-Money Act (“**EGG**”).

Although cryptocurrencies do not qualify as legal tender, some cryptocurrencies such as Bitcoin and USDC/USDT are already widely accepted as a means of payment by enterprises and shops. From a tax perspective, Bitcoin is also considered foreign currency. The Liechtenstein tax authority publishes exchange rates between several common cryptocurrencies (Bitcoin and Ethereum) and the Swiss franc (“**CHF**”) for tax purposes. Cryptocurrencies are also accepted by the Ministry of Justice to provide the initial capital contribution for the formation of legal entities. Furthermore, the Government also accepts Bitcoin, \$EGLD and ETH as payment for government services (e.g., taxes).

Liechtenstein has strong treaty ties to the economic and currency areas of Switzerland. Liechtenstein and Switzerland are a monetary union, which means that CHF is the legal tender of Liechtenstein and that the Swiss National Bank (“**SNB**”) serves as the central bank for Liechtenstein. At the time of writing, there have been discussions and exploratory projects regarding a Swiss stablecoin, particularly from SNB, although it has not issued any central bank cryptocurrencies (digital currency) like an e-Swiss franc. However, due to the monetary union between Liechtenstein and Switzerland, any digital currency introduced by SNB, such as an e-Swiss franc, would most likely also be recognised and used in Liechtenstein.

Also, the Government has not yet issued any cryptocurrency. Therefore, there is currently no form of “state-backed” cryptocurrency available in Liechtenstein.

Cryptocurrency regulation

Cryptocurrencies are not expressly prohibited under Liechtenstein law and it does not provide restrictions on owning and using cryptocurrencies for transactions. Also, exchange between fiat currencies and cryptocurrencies is permitted. Even official authorities accept payments in some cryptocurrencies and the registered capital for formation of entities may be provided in cryptocurrency.

However, providing services related to cryptoassets on a commercial basis is subject to licensing to some extent. Liechtenstein has a legal framework regulating the entire life cycle of cryptoassets of all kinds through the TVTG and the Ordinance on the Token and Trusted Technology Service Provider Act (also known as the Blockchain Ordinance, or “**TVT**”). This framework has been in force since January 2020. Furthermore, the FMA has published Guideline 2020/1 in which some licensing aspects are outlined in more detail.

The TVTG implemented rules for the legal nature of cryptoassets, the basis in terms of civil law with regard to cryptoassets and the representation of rights through cryptoassets and their transfer (Art. 3-10 TVTG) and certain licensing requirements for the provision of professional blockchain-related services (Art. 11-38 TVTG).

As mentioned above, Liechtenstein’s regulatory framework has evolved to align with MiCA, with the adoption of the law on 1 February 2024. The TVTG has been updated to ensure a smooth transition to MiCA. The main changes include the alignment of the existing TVTG terminology with MiCA; e.g., the definition of “cryptoasset” is now included in the TVTG and the definition of “token” has been partially replaced. The licensing obligation for Token Issuers who publicly offer cryptoassets in their own name above a certain threshold was also entirely removed and, in accordance with MiCA provisions, they will only be obliged to publish a White Paper (known in Liechtenstein as a Basic Information Document, or “**BID**”).

Furthermore, cryptoasset services under MiCA, such as “operating a trading platform”, “custody and administration of cryptoassets”, “providing advice on cryptoassets”, “providing portfolio management on cryptoassets” and “providing transfer services for cryptoassets on behalf of clients” have already been included in the TVTG.

CASPs defined and regulated under the TVTG include, in particular:

- Custodian: a person who holds keys or tokens for clients.
- Physical Validator: a person who ensures the contractual enforcement of rights represented by tokens related to physical assets under property law within trusted technology (“**VT**”) systems.
- Exchange Service Provider: a person who exchanges legal tender for cryptoassets and *vice versa*, or cryptoassets for other cryptoassets, on their own account.
- Verification Agent: a person who verifies the legal capacity and conditions for controlling a token.
- Pricing Service Provider: a person who provides aggregated pricing information to users of VT systems based on buy and sell offers or completed transactions.
- Identity Service Provider: a person who identifies the rights holders of a token and records them in a directory.
- VT Agent: a person who professionally markets or provides cryptoasset services on behalf of a foreign service provider within the domestic jurisdiction.
- Token Lending Company: a company that receives tokens on the condition that they can manage them at their own discretion or based on client instructions but must return the tokens after a certain period (not regulated under MiCA).
- Trading Platform Operator: a person who operates a trading platform for cryptoassets, bringing together or facilitating the aggregation of buy and sell interests of multiple parties in accordance with platform rules, resulting in contracts for the exchange of cryptoassets either for other cryptoassets or for fiat currency.
- Portfolio Asset Manager: a person who:
 - manages portfolios on an individual client basis with discretion within the scope of a client mandate, provided that these portfolios contain one or more cryptoassets; or

- provides or issues personalised recommendations to clients regarding one or more transactions related to cryptoassets or the use of cryptoasset services.
- Transfer Service Provider: a person who initiates the transfer of one or more cryptoassets from one VT identifier to another VT identifier on behalf of clients.

Also, the material requirements for obtaining a licence under both avenues, the TVTG and MiCA, are very similar. CASPs have to comply with a list of general requirements as well as additional requirements that apply to the specific services they provide. The regulatory requirements relate to, among other things:

- the initial capital (not applicable to all service providers);
- the IT infrastructure;
- the corporate structure/organisational requirements; and
- the suitability of management.

The civil law aspects of the TVTG regulate the rules for the creation, ownership, transfer and deletion of a cryptoasset and, therefore, the entire life cycle of a cryptoasset. One of the unique aspects of the TVTG is that it defines the civil law aspects of all possible cryptoassets using a TCM. The TCM defines a token from a civil law aspect as a legal instrument. Under the rules of the TVTG, a token is considered a container of rights that may contain any kind of right or claim. The TCM also means that the rights contained in a token are not directly affected or altered in nature and can be either subject to Liechtenstein law or any other foreign law. Due to the legal design and concept as a container of rights, the token can therefore be applied invariably and used as the bearer of any kind of right with regard to any kind of asset. While MiCA addresses the regulatory aspects of cryptoassets, it does not regulate the civil law aspects or the transfer of cryptoassets. Therefore, the TVTG will continue to be in effect, maintaining its role in regulating these civil law aspects.

Other regulations

Furthermore, depending on the qualification of the respective cryptoasset (for instance, a Security Token) and services provided, further financial market rules and licensing requirements may apply, such as the Banking Act, the EGG, the Act on Alternative Investment Funds (e.g., crypto funds) or the EU Prospectus Regulation (e.g., Security Token offerings (“STO”) or crypto exchange-traded products (“ETPs”)).

Sales regulation

In the legislative procedure for the TVTG, it was made clear that financial market regulation as securities and commodities law is technology-neutral and can therefore also apply to regulated activities on the DLT. It was stated in detail that the area of application of the financial market regulation is connected in many cases to terms such as legal currency, securities, and financial instruments. It is therefore clear that all cryptoassets representing currencies, securities or financial instruments are also to be classified as such in accordance with financial market regulation.² Furthermore, it was made clear that there have been no changes due to the adaption of the TVTG to align with MiCA that if a service provider pursuant to the TVTG also includes services that fall under other financial market laws, then these laws are applicable in addition to the crypto regulations. However, entities already licensed under financial market laws (e.g., credit institutions) who wish to offer services regulated under the TVTG and later under MiCA can benefit from a simplified procedure for obtaining a licence as a CASP under MiCA/TVTG. The sales regulations can be summarised as follows.

Security Tokens

All tokens that contain rights that qualify them as financial instruments under the regulations of the Markets in Financial Instruments Directive (“MiFID II”) as defined in the Banking Act are considered Security Tokens. Hence, the rules applicable to the specific financial instrument are also applicable to such Security Tokens. In particular, rules regarding public offering, listing on exchanges, trading, etc.,

are applicable. In this regard, particularly for public offerings of Security Tokens, the EU Prospectus Regulation and the national implementing laws have to be followed. According to these rules, the public offering and hence the selling of Security Tokens are regularly subject to prospectus requirements if the relevant thresholds are met. Liechtenstein, unlike several other countries, made use of the possibility to allow public offerings of financial instruments without prospectus requirements up to an amount of CHF 8 million for national offerings. Furthermore, in any event, private placements are exempted from the prospectus requirements. In addition, it has to be noted that Security Tokens (e.g., shares, bonds, derivatives) must only be traded on a licensed multilateral trading facility (“**MTF**”). The provision of such services as an MTF requires a licence as an investment firm under the Banking Act and the exemption under the EU DLT Sandbox Regime of the DLT Regulation.

Payment Tokens

Payment Tokens are tokens that are accepted to fulfil contractual obligations and therefore replace legal tender in this respect. Generally, Payment Tokens do not fall under financial market regulation in Liechtenstein. However, Payment Tokens that are accepted as a means of payment by a larger group of acceptants in return for goods or services, and fulfil other criteria according to the EGG, can constitute e-money. In such cases, an e-money licence is required. Therefore, companies wishing to issue and sell Payment Tokens that can be qualified as e-money must obtain a licence as an e-money institution from the FMA prior to commencing business. With the implementation of MiCA in Liechtenstein, Payment Tokens that qualify as e-money must comply in addition to the EGG (based on Directive 2009/110/EG) with MiCA provisions regarding E-Money Tokens (“**EMT**”). This includes, in particular, the requirement of the publication of a cryptoasset BID prior to the public offering.

Utility Tokens

Under the TVTG, all tokens that do not qualify as financial instruments (Security Tokens) or Payment Tokens are considered Utility Tokens. Typical Utility Tokens have certain functionalities (in game currencies, etc.) that can be compared to digitalised vouchers. They do not fall under MiFID II or any other financial regulation. However, as for all tokens, the rules of the TVTG also apply to them. As mentioned above, with the amendment of the TVTG, the licensing requirement under the TVTG will no longer apply. Nevertheless, in accordance with the provisions of MiCA, Token Issuers who offer and sell tokens in their own name are required to publish a BID and adhere to the minimum capital requirement in accordance with Art. 16 TVTG (offers of more than CHF 5 million but less than CHF 25 million have a CHF 100,000 capital requirement, while offers above CHF 25 million have a CHF 250,000 capital requirement).

Once MiCA becomes applicable in Liechtenstein, the main differentiation will be between Asset-Referenced Tokens (“**ART**”), EMT, and other cryptoassets that are not ART or EMT. Depending on the classification, the relevant provisions regarding the offering and sale of the specific cryptoasset will apply.

Taxation

In general, only natural persons resident in Liechtenstein and legal entities with a seat in Liechtenstein are subject to Liechtenstein tax laws. Given the small size of the country and its position as a financial hub, corporate tax laws are more relevant.

In general, Liechtenstein offers an attractive fiscal environment for companies. In Liechtenstein, the income tax rate for legal entities is 12.5% (flat tax rate), and the minimum income tax is CHF 1,800. Furthermore, 4% of the corporate equity capital can be booked as an expense in order to reduce profits, which means that the effective tax rate is below 12.5%. In addition, it is possible to offset carry-forward losses for an indefinite period of time. Also, dividends and capital gains, derived from sales or liquidations of investments in shares or similar equity instruments, are generally not subject to taxes for legal entities, disregarding the holding amount and period.

In addition, Liechtenstein tax laws take a material approach towards trading with cryptoassets. Depending on the rights contained in the respective cryptoasset and the qualification of the cryptoasset as a Utility Token, a Payment Token or a Security Token, different tax rules will apply. As Liechtenstein law does not have capital gains tax on profits from trading with participations, profits from trading with Security Tokens are tax-free in Liechtenstein and no withholding tax applies. Utility Tokens are considered regular commodities and trading profits would be considered trading income that is subject to regular taxation (12.5% in net profits for legal entities).

Payment Tokens are considered currencies and trading profits are also considered trading income subject to regular taxation.

Money transmission laws and anti-money laundering requirements

The prevention of financial crime and money laundering is one of the key aspects for the sustainable functioning of the Liechtenstein financial market. Thus, Liechtenstein law also provides for comprehensive and effective know-your-customer (“KYC”) and anti-money laundering (“AML”) regulations under the Due Diligence Act, which, in particular, also applies to offerings of transactions with cryptoassets.

Furthermore, in 2022, MONEYVAL’s report following a comprehensive assessment of Liechtenstein confirmed that Liechtenstein has a very effective system for combatting financial crime and money laundering.

KYC/AML regulation

Most CASPs (Custodians, Exchange Service Providers and Trading Platforms Operators) are subject to due diligence obligations under Liechtenstein law and must provide a KYC and AML procedure. Due to a risk-based approach of the entire KYC and AML rules, the Due Diligence Act allows for application of different rules, depending on the investment volumes, overall volumes, involved countries and involved persons, thus making it more effective.

Since the KYC and AML regulations of the Due Diligence Act are generally applicable to professional trading with any kind of cryptoassets, trading with anonymous counterparts is generally excluded (the so-called “**travel rule**”). However, on a regulated exchange, typically only the Exchange Service Provider has knowledge of both counterparts of a trade whereas the trading parties do not necessarily know the counterpart.

Promotion and testing

Apart from the EU DLT Sandbox Regime, which will be outlined below, there is no specific regulatory sandbox. However, the FMA has a special fintech department responsible for cryptocurrency and blockchain regulation, as well as for regulation of any future fintechs. Additionally, a special government body responsible for the facilitation of fintech and blockchain development has been established (*Stabsstelle für Finanzplatzinnovation und Digitalisierung*, or Office for Financial Center Innovation and Digitization).

EU DLT Sandbox Regime

As part of the digital finance package, the EU adopted the so-called DLT Sandbox Regime with EU Regulation 2022/858 (“**DLT Regulation**”), which for the first time enables the operation of DLT-based multilateral trading facilities (“**DLT-MTF**”) and settlement systems (“**DLT-SS**”). These regulations finally provide the basis for enabling trading and settlement of cryptoassets that classify as financial instruments under MiFID II (therefore, tokenised securities/Security Tokens) on a blockchain-based trading facility. The new regime has been set up on a trial basis for six years in an environment of lower regulatory hurdles and thus aims to allow better exploitation of the development potential of DLT,

while still preserving certain requirements for transparency and investor protection. On the other hand, limitations with regard to the volume of activities will apply.

The DLT Regulation is already applicable in Liechtenstein as an EEA Member State. Market participants can apply to the FMA for inclusion in the Sandbox Regime in order to become exempt from certain regulatory hurdles.

Ownership and licensing requirements

Investment managers may face restrictions on owning cryptocurrencies for investment purposes based on both applicable financial laws (e.g., UCITS) and internal investment policies. Furthermore, under the revised TVTG effective from 1 February 2024, and subsequently under MiCA, all MiFID activities that an asset management company can perform under the Liechtenstein Asset Management Act (*Vermögensverwaltungsgesetz*) with regard to financial instruments have materially equivalent counterparts in the realm of cryptoasset services under the updated TVTG and MiCA. To carry out these activities, including portfolio management for cryptoassets (under MiCA) and asset management for cryptoassets (under the TVTG), advisory services, reception and transmission of orders, and execution of orders for clients, a CASP licence is required.

Ownership

The TVTG creates a civil law for cryptoassets and a legal basis for the ownership, possession, and disposition rights over cryptoassets. Therefore, Liechtenstein has a legal framework and certainty with regard to ownership, possession, and disposition of cryptoassets.

For example, the TVTG stipulates that the private key holder has the power of disposal over the token. The TVTG further assumes that the person possessing the power of disposal over a token also has the right to dispose of the token. For every previous holder of the power of disposal, it is presumed that he was the person possessing the right of disposal at the time of his ownership. Disposal over the token results in the disposal over the right represented by the token (Art. 7 para. 1 TVTG). If the legal effect described in Art. 7 para. 1 TVTG does not come into force by law, the person obliged as a result of the disposal over the token must ensure, through suitable measures, that: (a) the disposal over the token directly or indirectly results in the disposal over the represented right; and (b) a competing disposal over the represented right is excluded.

In addition, the person possessing the right of disposal reported by the TT system is considered the lawful holder of the right represented in the token in respect of the Obligor. By payment, the Obligor is withdrawn from his obligation against the person who has the power of disposal as reported by the TT system, unless he knew, or should have known with due care, that he is not the lawful owner of the right.

Licensing requirements

The rules of the TVTG and TVTV outline the applicable regulation in Liechtenstein for certain service providers in relation to DLT and cryptoassets. As mentioned above, this regulation was amended to ensure a smooth transition into the MiCA regime, which is expected to become applicable in Liechtenstein from 1 February 2025, and to enable certain service providers (in particular, Exchange Service Providers and Trading Platform Operators and those carrying out custody, administration and portfolio management of cryptoassets) to obtain a licence in Liechtenstein that can be directly passported into the EU/EEA once MiCA becomes applicable.

The current licence requirements are as follows.

The licensing requirements are linked to the respective service (the service provider is called the “TT service provider”). Thus, the question of whether a licence is required under the TVTG depends on the service provided and not on the type of cryptoasset involved (as opposed to licence requirements in

traditional financial market law). So, if a natural person or legal entity based in Liechtenstein is planning to professionally provide one of the above-mentioned services (in particular, custody or exchange services), licensing by the FMA is required to provide such service. In law, authorisation is known as “registration”. However, materially, it is a licence that is comparable to other financial market licences with some minor limitations.

TT service providers have to comply with a list of general requirements as well as additional requirements that apply to the specific services they provide.

General requirements that apply to all TT service providers include:

- **Applicant:** the applicant must be a natural or legal person capable of action (Art. 13(1)(a) TVTG) with headquarters or a place of residence in Liechtenstein.
- **Substance:** for licences under the TVTG, the law provides some minimum substance requirements, such as separate office space.
- **Reliability:** the members of the governing bodies of a TT service provider, as well as its shareholders, owners or partners that directly or indirectly hold more than 10% of the TT service provider, must meet reliability requirements such as clean criminal records, professionally suitable, etc. This is conducted as a limited fit and proper assessment.
- **Technical suitability:** TT service providers must be sufficiently technically qualified for the service that shall be provided. To meet this criterion, a TT service provider may draw on the expertise of a qualified third party based on outsourcing of services. This point in particular is central for Exchange Service Providers and Custodians.
- **Governance:** for TVTG licences, an adequate organisational structure is required that provides for clear responsibilities and reporting lines, procedures for dealing with conflicts of interest and clear outsourcing policies and agreements, if applicable.
- **Internal procedures and (special) control mechanisms:** TT service providers must implement written internal procedures and control mechanisms that are appropriate in terms of the type, scope, complexity, and risks of the TT services provided. This includes ensuring sufficient documentation of these mechanisms (internal control system, or “**ICS**”). An ICS includes all internal company procedures, methods, instruments and measures to protect the interests of the TT service provider, to ensure proper operations, and to guarantee compliance with legal requirements. An effective ICS includes written instructions on workflows, regular process monitoring, and risk management.
- **Financial resources:** the law provides for some minimum capital requirements as outlined above (the below being the most relevant):
 - (i) **Exchange Service Providers (Crypto Exchange):** this depends on transaction volumes. For transaction volumes of CHF 1 million and above, the minimum capital is CHF 100,000.
 - (ii) **Token Issuers (for third parties):** this depends on issuing volume per 12 months. If tokens with a value between CHF 5 million and 25 million are issued, the minimum capital is CHF 100,000. If tokens with a value above CHF 25 million are issued, the minimum capital is CHF 250,000.
 - (iii) **Crypto Custodians (TT Key Custodians and TT Token Custodians):** minimum capital of CHF 100,000.
 - (iv) **TT Trading Platform Operators:** The required capital is CHF 150,000.
- **KYC/AML:** a TVTG licence also requires fulfilment of all KYC/AML requirements of the Due Diligence Act (policies, due diligence officer, storage). In particular, adequate KYC and AML policies have to be put in place and approved by the FMA.

For some TT service providers, a few additional requirements are given. To be licensed as a Custodian, appropriate measures should be put in place to prevent loss of private keys/tokens, and their safekeeping needs to be completely segregated from the business assets. Furthermore, measures need to be established to ensure the clear assignment of customer tokens and to ensure the execution of customer orders in line with agreements. The Custodian must also install a Business Continuity Management programme to ensure that services can be maintained in the event of interruptions. Exchange Service Providers must also have suitable internal control mechanisms before starting their activity, ensuring disclosure of comparable market prices of the traded tokens and disclosure of the purchase and sale prices of the traded tokens.

Token Issuers, for example, at the first issuance of a token (primary market), have to prepare a BID (equivalent to the required White Paper according to MiCA) that outlines the key information on the token issuing. The content of the BID is similar to the summary of a prospectus under MiFID laws.

The FMA is the competent authority for all licences and subsequent supervision under the TVTG and MiCA. After licensing, the licensing requirements must be fulfilled on an ongoing basis. However, TT service providers are not subject to the same ongoing prudential supervision as licensed financial intermediaries (e.g., periodic external audits, ongoing review of technical suitability), but rather to event-driven or *ad hoc* supervision. The level of protection ensured by supervision differs accordingly from that of a licensed financial intermediary.

Finally, it should be noted that it is a common practice in Liechtenstein that, in the initial phase of a project, a meeting is held with the FMA in which the project and key items are discussed. The entire licensing process is usually conducted in close cooperation with the FMA and can therefore be completed more efficiently. Here, once again, the small size of the country provides for additional benefits.

Mining

There is no specific regulation of cryptocurrency mining in Liechtenstein. Mining cryptocurrencies in one's own name and on own account does not trigger licensing requirements. However, depending on the business model, professional mining as a service, on behalf of third parties or with certain participation models, may constitute a service under the TVTG or be considered a service that is subject to financial market laws such as the Banking Act, the EGG or the Act on Alternative Investment Funds. Also, prospectus requirements may be triggered.

Border restrictions and declaration

In Liechtenstein, there are no particular border restrictions or declaration requirements that would apply to cryptocurrencies.

Reporting requirements

There is no statutory threshold amount above which the person responsible for due diligence (*Sorgfaltpflichtige*) would have to report a transaction of a customer. Rather, it is based on the ongoing customer risk assessment by said person, which provides for thresholds of between CHF 50,000 and 500,000 depending on the risk categorised, but which are not of a binding nature.

Estate planning and testamentary succession

In Liechtenstein, there are no particular estate planning or testamentary succession aspects concerning cryptocurrencies. Accordingly, general civil law rules apply. Of course, however, there may be factual difficulties in terms of actual accessibility of heirs to cryptocurrencies held in self-custody due to password requirements.

Endnotes

- 1 See Roadmap: <https://www.fma.li/en/fintech/micar.html> and <https://www.fma.li/en/fintech/micar/applications-for-admission-under-art-21-art-and-art-63-casps-micar.html>
- 2 BuA 2019/54, page 42.

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