

With the amendment of the FM-GwG in the implementation of Directive (EU) 2018/843 (5th Anti-Money Laundering Directive), services relating to virtual currencies now fall within the scope of the FM-GwG and thus under the supervision of the Financial Market Authority (FMA). This Information Sheet highlights key changes to the FM-GwG relevant to virtual currency service providers.

Key definitions:

- **Virtual currencies:** a digital representation of value that is not issued or guaranteed by a central bank or a public authority, is not necessarily attached to a legally established currency and does not possess a legal status of currency or money, but is accepted by natural or legal persons as a means of exchange and which can be transferred, stored and traded electronically.
- **Virtual currency service provider:** all service providers who offer one or more of the following services:
 - services to safeguard private cryptographic keys on behalf of its customers, to hold, store and transfer virtual currencies (custodian wallet provider);
 - exchange between virtual currencies and fiat currencies;
 - exchange between one or more forms of virtual currencies;
 - transfer of virtual currencies;
 - participation in and provision of financial services related to an issuer's offer and sale of virtual currencies.

New Registration Requirement:

Virtual currency service providers that intend to perform activities in Austria or to offer activities from within the country must first apply to the FMA for registration. The application shall be accompanied by the following information and documents:

1. the name or company name of the service provider and, if available, the managing director(s);
2. the registered office of the undertaking and the business address relevant for service;
3. a description of the business model, indicating in particular the nature of the intended services;
4. a description of the internal control system that the applicant intends to implement, as well as a description of the strategies and procedures planned, and
5. in the case of legal entities, additionally the identity and the amount of the participation of the owners who directly or indirectly hold a qualifying holding in the applicant.

Persons offering virtual currency services without the required registration are subject to a fine of up to EUR 200,000. The registration obligation enters into force on 10 January 2020; however, voluntary registration will be possible starting 1 October 2019.

KYC/AML Requirements:

The amendments to the FM-GwG subject virtual currency service providers to the same customer identification and due diligence requirements of credit institutions and financial institutions.