

Crypto regulation in Liechtenstein

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Sources

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Crypto Legislation

- Law of 03 October 2019 on Tokens and TT Service Providers

AML Legislation

- Due Diligence Act
- FATF Standards on Virtual Assets and Virtual Asset Service Providers

Taxation

- Liechtenstein Tax Act

Overview



Overview

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The Law of 03 October 2019 on Tokens and TT Service Providers (TVTG) otherwise known as the Blockchain Act regulates tokens TT Service Providers in Liechtenstein.

TVTG applies to any type of DLT, therefore, it remains applicable to ever-changing technology. Thus, the Act does not provide rules for specific cryptocurrencies or cryptoassets but rather a framework of rules for the token as a bearer of any kind of rights and all services related thereto.

TVTG broadly defines a token, highlighting it as an independent object of civil law. The disposal of a token is equated to the disposal of the right expressed by this token, and the holder of the token is considered the owner of the corresponding right.

TVTG establishes the protection of a bona fide purchaser of a token: persons who received tokens for the purpose of acquiring the right of disposal or a restricted in rem right are to be protected in their acquisition, even if the transferring party was not entitled to the disposal over the Token unless the recipient party had been aware of the lack of right of disposal or should have been aware of such upon the exercise of due diligence. If a Token is disposed of without reason or a subsequent reason fails to exist, the revocation shall be accomplished in accordance with the provisions of the Enrichment Law.

Relevant authority: Financial Market Authority Liechtenstein (FMA)

Status of regulation:
positive

Tips & Tricks by D&A Partners

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Liechtenstein is recognised as one of the first jurisdictions to adopt a comprehensive legal framework for crypto assets. The principality's proactive stance towards digital finance, marked by the early implementation of the TVTG, commonly known as the Blockchain Act, has established it as a leading fintech hub in Europe. This act, operational since January 1, 2020, provides a broad and adaptable regulatory landscape for digital assets, and blockchain-based services.

The well-developed infrastructure in Liechtenstein for crypto projects stems from its established legal framework. The Blockchain Act covers a wide range of services related to blockchain technology, not limited to digital assets but extending to various blockchain applications. This comprehensive approach has fostered the growth of a supportive ecosystem comprising accountants, banks, and other services adept at supporting crypto businesses. The presence of these knowledgeable and experienced service providers greatly benefits companies operating in the digital asset space.

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