

BLOCKCHAIN AND CRYPTO ASSETS

Giving you new and fresh perspectives

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THE CHALLENGE



Everyone is talking about blockchain.



Everyone is talking about crypto.



Everyone is talking about the new and exciting world of opportunities that it creates.

It is evident that blockchain has the potential to bring trust and transparency to all interactions across businesses and societies but on the same time, it can be hard to know where to start.

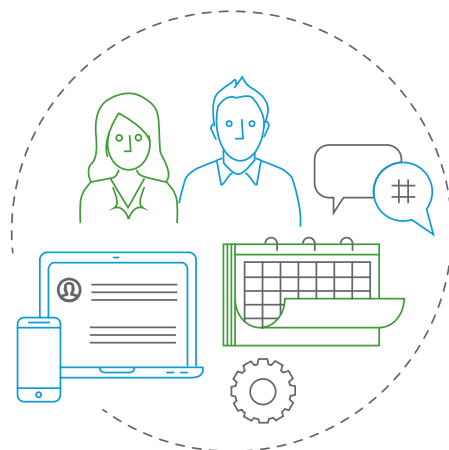
The RSM Team has the knowledge and expertise to help you move forward with confidence and explore if this technology can be beneficial for your organisation.

RSM Team

The business world is evolving rapidly. In this fast-paced environment, you need an adviser that thinks ahead and rapidly responds to your changing needs. At RSM, we build strong relationships based on a deep understanding of what matters most to our clients.

Our Team has unparallel financial services expertise. It is our strong, collaborative approach that differentiates us. We will strive to truly understand your strategies, your aspirations and your business endeavours so that we can provide a tailored service offering.

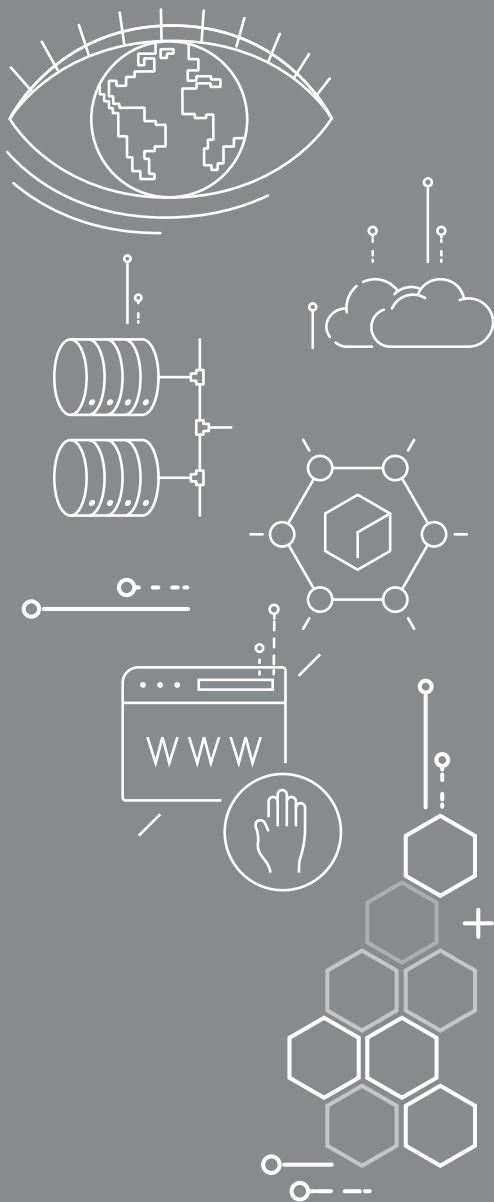
By sharing the ideas and insights of our most senior professionals, we bring our expert local and global knowledge and resources to your environment, so you feel understood and empowered to move forward with confidence.



CONTACT US

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This is the power of being understood. This is the RSM experience and our commitment to you.



What is Blockchain?

A blockchain is a decentralized ledger of all transactions across a peer-to-peer network. Using this technology, participants can confirm transactions without the need for a central clearing authority. There are a lot of applications that blockchain can be used. Some recent examples include fund transfers, payments, medical records and voting. Collaborative technology, such as blockchain, is lowering the "cost of trust" since there are no intermediaries.

Blockchain is the technology that enables the existence of cryptocurrency (among other things). Bitcoin is the name of the best-known cryptocurrency, the one for which blockchain technology was invented. A cryptocurrency is a medium of exchange, such as the US dollar, but is digital and uses encryption techniques to control the creation of monetary units and to verify the transfer of funds.



How Blockchain works ?

The 6 steps of the operating procedure:

1. A transaction is initiated.
2. The transaction is announced to a P2P network consisting of computers, known as nodes.
3. The network of nodes validates the transaction and the users status using known algorithms.
4. The transaction is completed/validated.
5. The new block is then added to the existing blockchain, in a way that is permanent and unalterable.
6. One verified, the transaction is combined with other transactions to create a new block of data for the ledger.



What is a Crypto Asset?

Crypto Assets are purely digital assets that use public ledgers over the internet to prove ownership. They use cryptography, peer-to-peer networks and a distributed ledger technology (DLT) – such as blockchain – to create, verify and secure transactions. Some examples are Bitcoin, Dogecoin, Litecoin, etc.



Cryptos in Cyprus

CySEC is the anti-money laundering and counter-terrorist financing (AML/CFT) supervisor for crypto-asset operations undertaken in or from Cyprus.

Any Crypto Asset Services Provider ("CASP"), within the meaning of the Prevention and Suppression of Money Laundering and Terrorist Financing Law ("AML/CFT Law"), that provides services in or from Cyprus, must formally register with the CySEC.

Any CASP established in the EEA and registered with one or more EEA National Competent Authorities for AML/CFT purposes in relation to crypto services provided or intended to be undertaken in Cyprus (i.e. involving Cypriot residents, including incorporated or unincorporated entities based in Cyprus), must submit an application to be registered as a CASP with CySEC.



Regulatory Framework in Cyprus

The applicable regulatory framework is comprised of:

- The AML/CFT Law ("The prevention and Suppression of Money Laundering and Terrorist Financing Law of 2007 to 2021").
- The CySEC Directive for the register of crypto asset services providers.
- The CySEC directive for the prevention and suppression of money laundering and terrorist financing.

The regulatory framework includes rules, inter alia, in relation to:

- The fitness and probity of the CASP beneficiaries and persons holding a management position.
- The conditions in relation to CASPs registration.
- The organisational and operational requirements.
- Performing Know Your Client and other client due diligence measures.
- Drawing the economic profile of clients.
- Identifying the source of client funds.
- Monitoring the clients' transactions.
- Identifying and reporting suspicious transactions.

Undertaking a comprehensive risk assessment in relation to clients' activities and take proportionate measures per client, activity and crypto-asset in question.



HOW CAN WE HELP YOU?



CASP Licensing Services

- Preparation of the CySEC Application including an Organisational Structure that meets client-specific needs as well as the minimum operational regulatory requirements, Business Plan analysis, Internal Operations Manual, AML Manual, other policies and procedures, preparation of due diligence questionnaires and CySEC Application forms.
- Collection of any other relevant information and documentation regarding the operating model to support the application.
- Assistance with the formation of the organisational structure that meets the criteria of the regulation.
- Liaising with CySEC and other competent authorities during the Application process.

Post Licensing Services:

- After obtaining the licence we can help you by supporting the Risk Manager and/or the Compliance Officer.
- We can also become your external or internal auditor.

In addition, we provide our clients with ongoing support on regulatory topics and assistance in relation to:

- The Company's licence/authorisation with CySEC.
- Tax or VAT assessments.
- Regulatory update notifications.
- Client onboarding and KYC/AML support.
- Enhancement of Risk Management procedures associated with crypto assets.
- Advisory and other consulting services.

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