

ALERT

QFC Regulatory Authority affirms that Virtual Asset Services may not be conducted in or from the QFC

Doha, Qatar, 26 December 2019

The QFC Regulatory Authority (Regulatory Authority) is issuing this email alert to affirm that Virtual Asset Services may not be conducted in or from the QFC at this time. For the purposes of this alert the below definitions apply:

“Virtual Asset” means anything of value that acts as a substitute for currency, that can be digitally traded or transferred and can be used for payment or investment purposes, excluding fiat currencies and other monetary instruments.

“Virtual Asset Services” are any one or more of the following activities or operations:

- Exchange between virtual assets and fiat currencies;
- Exchange between one or more forms of virtual assets;
- Transfer of virtual assets;
- Safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets; and
- Participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset.

“Virtual Asset Service Provider” is any natural or legal person who as a business conducts one or more Virtual Asset Services for or on behalf of another natural or legal person.

For the avoidance of doubt, the Regulatory Authority does not generally consider activities in relation to digital forms of securities or of other financial instruments that are regulated by the Regulatory Authority, the Qatar Central Bank or the Qatar Financial Markets Authority to be Virtual Asset Services for the purposes of this Circular. The Regulatory Authority may from time to time issue additional guidance to Authorised Firms on compliance with this Circular, including as to scope and application of the definition of Virtual Asset.

In accordance with QFC Law No. 7 of 2005 and the Financial Services Regulations (FSR), all Authorised Firms (as defined in the FSR) are not currently permitted to provide and/or facilitate the provision of Virtual Asset Services or otherwise exchange, trade or deal in Virtual Assets, until further notice.

The Regulatory Authority shall impose penalties in accordance with its rights and obligations pursuant to QFC Law No. 7 of 2005 in case of any violation of undertaking permitted activities that are not permitted in the QFC.