



Frequently asked questions about the Blockchain Act

1. Definitions and expressions

What is the difference between Trustworthy Technology (TT) and TT Systems?

Trustworthy Technology (TT) ensure the integrity of Tokens as well as their disposal and the clear assignment of Tokens to TT Identifiers. TT Systems are transaction systems that allow the secure storage and transfer of Tokens using trustworthy technology (blockchain-technology).

What is the difference between Tokens and TT Keys?

TT Keys (private keys) enable disposal over Tokens, which are pieces of information on a TT System assigned to one or more TT Identifiers. Tokens can represent claims or rights of membership against a person or absolute or relative rights, such as rights to property.

What does TT Identifier mean?

A TT Identifier (public key) allows the clear assignment of Tokens.

What are TT Service Providers and Users?

A TT Service Provider is someone who exercises one or more of the 10 functions or roles as defined in the Blockchain Act. Users are those who use TT Services and/or dispose of Tokens.

What does “basic information” mean?

Basic information is the information that must be provided to the public as part of a token offering in order to make it possible to assess the risks and rights associated with both the Tokens and the TT Service Providers.

What is the difference between TT Key Depository, TT Token Depository and TT Protector?

A TT Key Depository safeguards TT Keys for clients; TT Keys are the keys that enable clients to dispose of Tokens.

A TT Token Depository safeguards Tokens in the name and for the account of others.

TT Protectors hold Tokens on TT Systems in their own name and for the account of a third party and require authorisation pursuant to the Trustees Act.

2. Registration

Are the registration requirements the same for all the roles and functions under the TVTG?

No, there are different capital requirements and other obligations that depend on the specific TVTG role.

Is registration with the Financial Market Authority (FMA) only required if services are provided to clients based in Liechtenstein?

No, the registration requirement applies to all companies and individuals whose registered office or place of residence is in Liechtenstein and who wish to act as TT Service Providers in a professional capacity, irrespective of the client's registered office or place of residence. Such companies and individuals must apply to the FMA in writing to be entered in the TT Service Provider Register with the FMA before providing a service for the first time.

Under which circumstances does the TVTG apply to Tokens and disposal of them on TT Systems?

Any Token generated or issued by a TT Service Provider whose registered office or place of residence is in Liechtenstein is subject to the TVTG. In addition, any party may declare the provisions



of the TVTG applicable in legal transactions involving Tokens (opt-in). However, even when this is the case, no company or individual whose registered office or place of residence is outside Liechtenstein can be registered with the Financial Market Authority (FMA). Thus, only the civil portion of the TVTG will apply if someone chooses to opt in.

Will certain TT Service Providers pursuant to the TVTG need separate organisations or subsidiaries for each business case, such as for custody or security tokens, as is currently being discussed in Germany?

No, this will not be required.

Are other business licences required in addition to registration with the Financial Market Authority (FMA) in accordance with the TVTG?

Yes, they may be, depending on the company's business activities. All companies and individuals in Liechtenstein must comply with the relevant regulations and apply for the general and specific licences required for their particular business. However, if a company or individual conducts no other business apart from what it is regulated pursuant to the TVTG, then no other licence is required (except for the TT Protector, who must also have a licence under the Trustees Act).

Does a TT Service Provider have to apply for a licence in Liechtenstein under the Liechtenstein Business Act (*Gewerbegesetz, GewG*)?

No, the Business Act does not apply to the activities of TT Service Providers.

If I have already a bank licence, for example, do I need to register as a TT Service Provider?

Yes, anyone who wishes to act as a TT Service Provider in a professional capacity and whose registered office or place of residence is in Liechtenstein must comply with the registration requirements, even a fully licenced bank.

Are there any exceptions to the registration requirement?

The TVTG does not apply to Liechtenstein, its municipalities or municipal associations or public companies when acting in an official capacity.

In addition, TT Token Issuers are not required to register if Tokens are issued in the issuer's own name or on behalf of principals in a **non-professional capacity** and if the issuance volume does not exceed CHF 5 million during a period of 12 months.

What is the registration process?

Companies and individuals must file an application for registration, which may be submitted to the Financial Market Authority (FMA) electronically. The FMA must decide based on the complete application within three months whether the requirements for registration have been met. For further information see the chapter "Registration requirements and procedure".

3. Fees

What is the registration fee of the Financial Market Authority (FMA)?

The fee to register as a TT Service Provider is CHF 1,500, irrespective of whether the application is accepted or rejected.

What is the fee for each registration if more than one TT Service Provider role is registered?

The fee for the first TT Service Provider role is CHF 1,500. The fee for each additional role is CHF 700.



4. Timeline

When will the TVTG come into force?

The TVTG will come into force on 1 January 2020.

When may a new applicant for a TT Service Provider role commence business in Liechtenstein?

New applicants for a TT Service Provider function or role must wait for approval to be entered in the TT Service Provider Register of the Financial Market Authority (FMA) before providing any service for the first time.

If a company or individual whose registered office or place of residence is in Liechtenstein has already been providing a TT Service (blockchain service) before the TVTG came into force, do these companies have to stop providing these services until they are entered in the TT Service Provider Register of the Financial Market Authority (FMA)?

No, persons or companies who are already providing TT Services when this act comes into force can apply for entry into the TT Service Provider Register of the FMA within a period of 12 months after this act comes into force and continue providing their services during this time. However, they must conduct their business in accordance with Articles 25 to 38 of the TVTG from 1 January 2020.

When will the Financial Market Authority (FMA) provide a decision after the application has been submitted?

The FMA must decide on the full application within three months.

How long do I have to take action if I do not agree with a decision by the Financial Market Authority (FMA)?

Decisions and decrees by the FMA can be appealed to the FMA Complaints Commission within 14 days of the decision. In addition, decisions and decrees by the FMA Complaints Commission may be also appealed to the Administrative Court within 14 days of the decision.

Other FAQs

How is the TVTG (different from the blockchain regulations in Malta, Switzerland or other countries)?

With the Blockchain Act, Liechtenstein is covering the whole token economy, defining the different TT Service Provider roles, requiring compulsory registration with the Financial Market Authority (FMA), defining minimum capital requirements, internal control mechanisms, supervision taxes, reporting obligations and other compliance requirements. The blockchain regulations in other countries are focused only on specific topics, such as ICOs, but they do not provide comprehensive regulations for the token economy as a whole.

Where can I find a copy of the Blockchain Act?

A copy of the Blockchain Act is available on the [website of the Liechtenstein government](#).

What is the purpose of the Blockchain Act?

To create a technology-neutral and innovation-friendly legal framework for providing services involving TT Systems, to protect Users in TT Systems and to ensure trust in digital legal communication in the financial and economic sector through legal certainty.



Which entity is responsible for the supervision of TT Service Providers?

The Financial Market Authority (FMA) is responsible for the supervision of TT Service Providers and implementation of the associated statutory provisions. In addition, the FMA cooperates with other national authorities and agencies if required to fulfil its duties under the Blockchain Act.

Will registered TT Service Providers have access to the European Economic Area (EEA)?

Passporting based on the model of European financial market laws is not possible, as registration in accordance with the TVTG is effective only in Liechtenstein.

Are there any additional acts that are relevant for TT Service Providers?

In general, any person or company doing business in Liechtenstein must comply with all currently applicable regulations. For example, the Token Issuer, TT Key Depositary, TT Token Depositary, Physical Validator, TT Protector and TT Exchange Service Provider must comply with the Liechtenstein Due Diligence Act (DDA; *Sorgfaltspflichtgesetz, SPG*).

Is outsourcing of operational functions allowed in certain cases?

Yes, the outsourcing of important operational functions is allowed if certain conditions according to the Blockchain Act are met, including no significant impact to the quality of the internal controls and continued observation of the obligations and registration requirements in accordance with the TVTG.