

Set up taskforce to oversee virtual currencies, ECON MEPs say

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The creation of a taskforce which would regulate virtual currencies, like Bitcoins, to prevent their use for money laundering and terrorist financing, was supported by Parliament's Economic and Monetary Affairs Committee on Tuesday by 54 votes to 1, with 2 abstentions.

The proposal contained in a report authored by [Jakob Von Weizsäcker](#) (S&D) suggests the taskforce, which would be overseen by the Commission, should build up the necessary expertise in the underlying technology of virtual currencies. It would also be tasked with proposing recommendations for any necessary legislation to regulate the sector, but the report warns against a heavy-handed approach to this new technology which, it says, can offer significant opportunities for the consumer and economic development.

"To avoid stifling innovation, we favour precautionary monitoring instead of pre-emptive regulation. But, IT innovations can spread very rapidly and become systemic. That's why we call on the Commission to establish a taskforce to actively monitor how the technology evolves and to make timely proposals for specific regulation if, and when, the need arises," said Mr Von Weizsäcker.

The vote comes as the Commission considers measures to bring virtual currency exchange platforms under the scope of the existing Anti-Money Laundering Directive which is due for an update. Among the proposals is a measure which would require these platforms to undertake due diligence when customers exchange virtual for real currencies. This would end the anonymity associated with the exchanges. Regulators are worried that the current system is helping money laundering and terrorist organisations.

The parliamentary report will be voted on by Parliament as a whole after which it will be sent to the European Commission for consideration.

Further information

- Committee on Economic and Monetary Affairs:
<http://www.europarl.europa.eu/committees/en/econ/home.html>

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