



2016/2007(INI)

22.3.2016

AMENDMENTS

1 - 41

Draft opinion
Ulrike Trebesius
(PE577.006v01)

Virtual currencies
(2016/2007(INI))

Amendment 1
Liisa Jaakonsaari

Draft opinion
Paragraph 1

Draft opinion

1. Points out that the virtual currency (VC) industry and VC technology are in a nascent state;

Amendment

1. Points out that the virtual currency (VC) industry and VC technology are in a nascent state ***and therefore a common European approach is needed now, which may require a legislative proposal;***

Or. en

Amendment 2
Antanas Guoga, Kaja Kallas

Draft opinion
Paragraph 1 a (new)

Draft opinion

Amendment

1a. Points out that the VC industry and the VC technology are innovative technologies and are being developed not on the basis of existing infrastructures;

Or. en

Amendment 3
Liisa Jaakonsaari

Draft opinion
Paragraph 2

Draft opinion

2. Recognises the potential benefits associated with VCs for consumers, businesses, ***charities*** and the economy at large, which include greater speed and

Amendment

2. Recognises the potential benefits associated with VCs for consumers, businesses and the economy at large, which include greater speed and efficiency and

efficiency and reduced costs in making payments and transfers, in particular across borders, and potentially promoting financial inclusion;

reduced costs in making payments and transfers, in particular across borders, and potentially promoting financial inclusion;

Or. en

Amendment 4
Antanas Guoga, Kaja Kallas

Draft opinion
Paragraph 2

Draft opinion

2. Recognises the potential benefits associated with VCs for consumers, businesses, charities and the economy at large, which include *greater* speed and efficiency and *reduced* costs in making payments and transfers, in particular across borders, and potentially promoting financial inclusion;

Amendment

2. Recognises the potential benefits associated with VCs for consumers, businesses, charities and the economy at large, which include *enhanced* speed and efficiency and *low* costs in making payments and transfers, in particular across borders, and potentially promoting financial inclusion;

Or. en

Amendment 5
Nicola Danti, Marlene Mizzi, Pina Picierno

Draft opinion
Paragraph 2

Draft opinion

2. Recognises the potential benefits associated with VCs for consumers, businesses, charities and the economy at large, which include greater speed and efficiency and reduced costs in making payments and transfers, in particular across borders, *and* potentially promoting financial inclusion;

Amendment

2. Recognises the potential benefits associated with VCs for consumers, businesses, charities and the economy at large, which include greater speed and efficiency and reduced costs in making payments and transfers, in particular across borders, potentially promoting financial inclusion *and facilitating the access to funding and financial resources for the business sector and the SMEs;*

Amendment 6
Antanas Guoga

Draft opinion
Paragraph 2 a (new)

Draft opinion

Amendment

2a. Highlights that VCs are the only means of payment other than cash, which can facilitate real-time settlement (receiver gets 100% of funds at the time of payment);

Or. en

Amendment 7
Nicola Danti, Marlene Mizzi, Marc Tarabella

Draft opinion
Paragraph 2 a (new)

Draft opinion

Amendment

2a. Notes also that the use of VCs and DLTs has positively contributed and facilitated micropayments for online purchases of goods;

Or. en

Amendment 8
Antanas Guoga, Kaja Kallas

Draft opinion
Paragraph 2 b (new)

Draft opinion

Amendment

2b. Highlights that VCs are pseudo-anonymous which allows customers to

maintain their identity private, but makes transactions perfectly traceable and investigations easier for legal authorities, and thus making it superior to cash or existing payment infrastructures;

Or. en

Amendment 9

Nicola Danti, Liisa Jaakonsaari, Marlene Mizzi, Pina Picierno, Marc Tarabella

Draft opinion

Paragraph 2 b (new)

Draft opinion

Amendment

2b. Stresses the importance of developing an European level playing field to allow unleashing and fully developing the valuable potential of Distributed Ledger Technologies (DLT), that can be used in numerous innovative fields and in a wide range of industries and services, such as "smart contracts", crypto-equity crowdfunding and dispute mediation services, in particular in the financial and juridical sectors; moreover, encourages public bodies to evaluate the benefits and explore the possibility of applying such innovative technologies to other fields, with the scope of providing better, more rapid and more efficient services to the EU citizens;

Or. en

Amendment 10

Nicola Danti, Pina Picierno, Marc Tarabella

Draft opinion

Paragraph 3

Draft opinion

Amendment

3. *Acknowledges* that VCs could present

3. *Stresses* that VCs could present risks in

risks in relation to criminal activities such as money laundering and tax *fraud*; *notes, however that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity*;

relation to criminal activities, such as *financing terrorism*, money laundering, *tax fraud* and *tax evasion*, as well as other *potential challenges which might be caused by the pseudo-anonymity of VCs; indeed, asks the Commission to evaluate and consider the necessity of extending the scope of the current legislation, such as the AMLD, thus including VC exchange platforms and "wallet providers"*, with the purpose of preventing and tackling the above-mentioned risks;

Or. en

Amendment 11
Liisa Jaakonsaari

Draft opinion
Paragraph 3

Draft opinion

3. *Acknowledges* that VCs could present risks in relation to criminal activities such as money laundering and tax fraud; *notes, however that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity*;

Amendment

3. *Stresses* that VCs could present risks in relation to criminal activities such as money laundering, *terrorist financing*, *tax evasion* and tax fraud; *Stresses that risks to financial stability could become more pronounced as VCs become more widespread; Notes that VCs may become the target of increased cybercrime as they become more widespread*;

Or. en

Amendment 12
Ildikó Gáll-Pelcz, Andreas Schwab

Draft opinion
Paragraph 3

Draft opinion

3. Acknowledges that VCs could present risks in relation to criminal activities such

Amendment

3. Acknowledges that VCs could present *many risks and threats to financial*

as money laundering and tax fraud; notes, however that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity;

integrity, consumer protection, cyber-security, exchange control enforcement, effective financial regulation and also in relation to criminal activities such as money laundering, *tax evasion* and tax fraud; notes, however that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity;

Or. en

Amendment 13
Mylène Troszczynski

Draft opinion
Paragraph 3

Draft opinion

3. Acknowledges that VCs could present risks in relation to criminal activities such as money laundering and tax fraud; notes, *however* that there is *little* evidence that VCs *have been* widely used as a payment vehicle for criminal activity;

Amendment

3. Acknowledges that VCs could present risks in relation to criminal activities such as money laundering and tax fraud; notes that there is *considerable* evidence that VCs *are being* widely used as a payment vehicle for criminal *and illegal* activity;

Or. fr

Amendment 14
Theodoros Zagorakis

Draft opinion
Paragraph 3

Draft opinion

3. Acknowledges that VCs could present risks in relation to criminal activities such as money laundering and tax fraud; notes, however that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity;

Amendment

3. Acknowledges that VCs could present risks in relation to criminal activities such as money laundering, *the funding of illegal activities* and tax fraud; notes, however, that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity; *notes, however, the huge fluctuations observed in the past in the exchange rates of some*

Amendment 15
Antanas Guoga, Kaja Kallas

Draft opinion
Paragraph 3

Draft opinion

3. *Acknowledges* that VCs could present risks in relation to criminal activities such as money laundering and tax fraud; notes, however that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity;

Amendment

3. *Notes* that VCs could present risks in relation to criminal activities such as money laundering and tax fraud; notes, however *that traceability of cash transactions tends to be much lower than VCs, highlights* that there is little evidence that VCs have been widely used as a payment vehicle for criminal activity;

Amendment 16
Ildikó Gáll-Pelcz, Andreas Schwab

Draft opinion
Paragraph 3 a (new)

Draft opinion

3a. Stresses that because of the opaque nature of the industry, the lack of regulatory safeguards and the complexity of the technology, VC holders are vulnerable to scams, such as stealing VCs (through hacking, fraud, false pretences, or misrepresentations) to fraudulent investment schemes;

Amendment

Amendment 17

Maria Grapini

Draft opinion

Paragraph 3 a (new)

Draft opinion

Amendment

3a. It recognizes that the use of virtual currency, which is not a national or foreign currency and which is not legally mandatory, poses potential risks to the financial system both in terms of regulation and in terms of market surveillance and security.

Or. en

Amendment 18

Nicola Danti, Liisa Jaakonsaari, Marc Tarabella

Draft opinion

Paragraph 4

Draft opinion

Amendment

4. Recognises that persons seeking wealth preservation may use independent currencies such as Bitcoin at times of depressed interest rates or as a safe harbour during times of economic instability; *deleted*

Or. en

Amendment 19

Antanas Guoga, Kaja Kallas

Draft opinion

Paragraph 4

Draft opinion

Amendment

4. Recognises that persons seeking wealth preservation may use independent *deleted*

currencies such as Bitcoin at times of depressed interest rates or as a safe harbour during times of economic instability;

Or. en

Amendment 20
Mylène Troszczynski

Draft opinion
Paragraph 4

Draft opinion

4. Recognises that persons seeking wealth preservation may use independent currencies such as Bitcoin at times of depressed interest rates or as a safe harbour during times of economic instability;

Amendment

4. Is extremely concerned that VCs may become a powerful alternative to national banking systems for people seeking to preserve their wealth;

Or. fr

Amendment 21
Ildikó Gáll-Pelcz, Andreas Schwab

Draft opinion
Paragraph 4 a (new)

Draft opinion

4a. Stresses, however, that no specific regulatory protections exist in the EU that protect consumers from financial losses if a platform that exchanges or holds virtual currencies fails or goes out of business, and this fact should be communicated by the businesses in the VC sector;

Amendment

Or. en

Amendment 22
Antanas Guoga, Kaja Kallas

Draft opinion
Paragraph 4 a (new)

Draft opinion

Amendment

4a. Recognises the potential of VC technologies well beyond the financial sector;

Or. en

Amendment 23
Nicola Danti, Pina Picierno, Marc Tarabella, Catherine Stihler

Draft opinion
Paragraph 5

Draft opinion

Amendment

5. Points out that it is difficult to predict how VCs might develop and to identify any potential specific longer-term policy responses while not stifling innovation;

5. Recognizes the difficulties and uncertainties in predicting how VCs might develop; calls on the Commission for a coherent and comprehensive strategy at the EU level, with the aim of identifying any potential specific longer-term policy responses, to avoid the fragmentation and distortion of the Single Market, and to prevent the risks of the VCs, while not stifling innovation; suggests the creation of a horizontal Task Force DLT (TF DLT), under the leadership of the Commission, supporting the relevant public and private actors while evaluating and analysing all the potential evolution of DLT application and VCs, with the final scope of ensuring a timely and well-informed response at the EU level;

Or. en

Amendment 24
Liisa Jaakonsaari, Nicola Danti

Draft opinion
Paragraph 5

Draft opinion

5. Points out that it is difficult to predict how VCs might develop *and to identify any potential* specific longer-term policy responses *while not stifling* innovation;

Amendment

5. Points out that it is difficult to *monitor and gather statistical data on VCs and to* predict how VCs might develop; *Calls on the Commission to address this lack of information and to propose* specific longer-term policy responses, *which address the challenge of consumer protection but leave room for* innovation; *Calls on the Commission to pay special attention to the algorithms used and to assess their security;*

Or. en

Amendment 25
Theodoros Zagorakis

Draft opinion
Paragraph 5

Draft opinion

5. Points out that it is difficult to predict how VCs might develop and to identify any potential specific longer-term policy responses while not stifling innovation;

Amendment

5. Points out that it is difficult to predict how VCs might develop and to identify any potential specific longer-term policy responses while not stifling innovation; *stresses, however, that the Commission should be ready to intervene at institutional level, if necessary, in coordination with the European Central Bank and the European Banking Authority;*

Or. el

Amendment 26
Antanas Guoga

Draft opinion
Paragraph 5

Draft opinion

5. Points out that it is difficult to predict how VCs might develop and to identify any potential specific longer-term policy responses while not stifling innovation;

Amendment

5. Points out that it is difficult to predict how VCs might develop and to identify any potential specific longer-term policy responses while not stifling innovation; ***recommends the Commission to review the EU legislation on payments in the light of the new possibilities afforded by new technological developments including VCs;***

Or. en

Amendment 27
Liisa Jaakonsaari

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5a. Asks the Commission to establish a horizontal Task Force DLT (TF DLT) in order to provide the necessary technical and regulatory expertise to support a European response to the new opportunities and challenges of VCs and DLTs;

Or. en

Amendment 28
Ildikó Gáll-Pelcz

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5a. Highlights that an important process will need to involve ongoing monitoring

and analysis of the manner in which VCs are evolving and the policy challenges that they pose;

Or. en

Amendment 29
Ulrike Trebesius

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5a. Notes that virtual currency companies can be organized and operated from anywhere in the world, over the internet; maintains that in this area of technology there is a danger of losing important innovation to other parts of the world; asks the Commission and member states to work with VC companies to avoid overregulation in order to keep the EU attractive as a location for R&D and the operation of these technologies;

Or. en

Amendment 30
Mylène Troszczynski

Draft opinion
Paragraph 6

Draft opinion

Amendment

6. Calls on the Commission to consider the contribution of VCs to all sectors, including their role in the development of the digital single market, with a view to ensuring that legitimate businesses in the VC sector are allowed to thrive;

deleted

Or. fr

Amendment 31

Nicola Danti, Liisa Jaakonsaari, Marc Tarabella

Draft opinion

Paragraph 6

Draft opinion

6. Calls on the Commission to consider the contribution of VCs to all sectors, including their role in the development of the digital single market, with a view to ensuring that legitimate businesses in the VC sector are allowed to thrive;

Amendment

6. Calls on the Commission to consider the contribution of VCs *and DLTs* to all sectors, including their role in the development of the digital single market, with a view to ensuring that legitimate businesses in the VC sector are allowed to thrive;

Or. en

Amendment 32

Antanas Guoga, Kaja Kallas

Draft opinion

Paragraph 6 a (new)

Draft opinion

Amendment

6a. Calls for the Commission to promote a higher involvement of independent researchers (universities, think tanks) together with private sector to innovate in VCs and VC technology area and allocate sufficient financing through the existing programmes such as Horizon2020;

Or. en

Amendment 33

Ildikó Gáll-Pelcz, Andreas Schwab

Draft opinion

Paragraph 6 a (new)

Draft opinion

Amendment

6a. Acknowledges that the development of effective regulatory responses to the development of VCs is still at an early and delicate stage; stresses that regulators in some areas have made considerable progress in developing effective responses; notes, however, that a great deal of work remains to be done to put in place effective frameworks to regulate VCs in a manner that guards against the risks while not stifling financial and technological innovation;

Or. en

Amendment 34
Jan Philipp Albrecht

Draft opinion
Paragraph 6 a (new)

Draft opinion

Amendment

6a. Highlights the need for consumer protection when using VCs, notably in terms of cybersecurity of assets, contact persons and contact details in case of queries or problems, and clear and easily understood terms and conditions including clear statement of the risks and fact that VCs and their value are not guaranteed by any bank or country;

Or. en

Amendment 35
Ildikó Gáll-Pelcz

Draft opinion
Paragraph 6 b (new)

6b. Finds it important that adoption of consistent terms and a common conceptual understanding of virtual currency by all relevant national entities is essential in order to avoid duplicating efforts and working at unintended cross purposes, and facilitates the capacity of national authorities to leverage their various perspectives and areas of expertise in order to most effectively identify and address relating to virtual currencies;

Or. en

Amendment 36
Ildikó Gáll-Pelcz, Andreas Schwab

Draft opinion
Paragraph 7

Draft opinion

7. Stresses the importance of consumer awareness when using VCs while noting the growing use of VC micropayments for online purchases of goods; calls on the VC industry, in cooperation with the Commission and the Member States, to **develop voluntary** standards and to address the opportunities and challenges of VCs for consumers with the aim of enhancing the transparency of VC schemes in terms of how they are organised and operated and how they distinguish themselves from regulated and supervised payment systems, in terms of consumer protection, in order to allow existing and future VC users to make an informed choice.

Amendment

7. Stresses the importance of consumer awareness **and trust** when using VCs while noting the growing use of VC micropayments for online purchases of goods; calls on the VC industry, in cooperation with the Commission and the Member States, to **consider applying the relevant AML/CFT requirements specified by the international standards to convertible VC exchangers, and any other types of institution that act as nodes where convertible VC activities intersect with the regulated fiat currency financial system** and to address the opportunities and challenges of VCs for consumers with the aim of enhancing the transparency of VC schemes in terms of how they are organised and operated and how they distinguish themselves from regulated and supervised payment systems, in terms of consumer protection, in order to allow

existing and future VC users to make an informed choice.

Or. en

Amendment 37

Nicola Danti, Liisa Jaakonsaari, Marlene Mizzi, Pina Picierno, Olga Sehnalová, Marc Tarabella, Catherine Stihler

Draft opinion

Paragraph 7

Draft opinion

7. Stresses the importance of consumer awareness when using VCs *while noting the growing use of VC micropayments for online purchases of goods; calls on the VC industry, in cooperation with the Commission and the Member States, to develop voluntary standards and to address the opportunities and challenges of VCs for consumers with the aim of enhancing the transparency of VC schemes in terms of how they are organised and operated and how they distinguish themselves from regulated and supervised payment systems, in terms of consumer protection, in order to allow existing and future VC users to make an informed choice.*

Amendment

7. Stresses the importance of consumer awareness *and transparency* when using VCs; *calls on the Commission, after consulting the Member States and the VC industry, to develop specific EU guidelines with the aim of guaranteeing that a correct, clear and complete information is provided for existing and future VC users, to allow them to make a fully informed choice, thus enhancing the transparency of VC schemes for consumers* in terms of how they are organised and operated and how they distinguish themselves from regulated and supervised payment systems; *in particular, underlines that the consumers and users, before using VCs, shall be informed about the high volatility and instability of their value.*

Or. en

Amendment 38

Antanas Guoga, Kaja Kallas

Draft opinion

Paragraph 7

Draft opinion

7. Stresses the importance of consumer awareness when using VCs while noting

Amendment

7. Stresses the importance of consumer awareness when using VCs while noting

the growing use of VC micropayments for online purchases of goods; calls on **the VC industry**, in cooperation with the Commission **and** the Member States, to develop voluntary standards and to address the opportunities and challenges of VCs for consumers with the aim of enhancing the transparency of VC schemes in terms of how they are organised and operated and how they distinguish themselves from regulated and supervised payment systems, in terms of consumer protection, in order to allow existing and future VC users to make an informed choice.

the growing use of VC micropayments for online purchases of goods; calls on **Member States**, in cooperation with the Commission, **to engage in promoting and educating citizens about VC technology so that VC technologies could be implemented to improve or replace existing payment or financial market infrastructures to achieve higher market efficiency; calls on the VC industry and** the Member States, to develop voluntary standards and to address the opportunities and challenges of VCs for consumers with the aim of enhancing the transparency of VC schemes in terms of how they are organised and operated and how they distinguish themselves from regulated and supervised payment systems, in terms of consumer protection, in order to allow existing and future VC users to make an informed choice.

Or. en

Amendment 39
Jan Philipp Albrecht

Draft opinion
Paragraph 7 a (new)

Draft opinion

Amendment

7a. Stresses the importance of pseudonymisation and personal data protection when using VCs as well as the importance of transparency regarding transactions and the block chain

Or. en

Amendment 40
Mylène Troszczynski

Draft opinion
Paragraph 7 a (new)

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Draft opinion

Amendment

7a. Is concerned for fundamental economic freedoms that the development of virtual currencies may be a pretext for gradually substituting the holding of cash and its use as means of payment; calls on the Commission firmly to reject this prospect;

Or. fr

Amendment 41

Nicola Danti, Liisa Jaakonsaari, Pina Picierno, Olga Sehnalová, Marc Tarabella, Catherine Stihler

Draft opinion

Paragraph 7 a (new)

Draft opinion

Amendment

7a. Asks the Commission to ensure that an adequate level of safeguards and effective remedies are in place for consumers who might face some of the risks linked to the use of VCs, such as hacking, malfunctioning of the software/hardware, scams and fraudulent schemes; calls the Commission to consider the possibility to set up specific, concrete and effective measures at the EU level in order to ensure the users are fully protected and safeguarded in relation to these risks.

Or. en