New Law on Financial Markets based on the Distributed Ledgers Technology

The Parliament of the Republic of Albania enacted a law on May 21, 2020, on the legal framework applicable to cryptocurrencies.

Law no.66/2020, dated 21.5.2020 “On Financial Markets Based on the Technology of Distributed Ledgers” (the “Law”) first appeared before the Committee of Economy in October 2019 and was approved with 88 votes in favor, 16 against and 3 abstentions.

The Law was published on the Official Gazette on July 21, 2020 and will enter into force on September 1, 2020.

The publication of the Law follows a parliamentary decision that annuls a previous decree by the President’s Office. The latter issued the decree that revoked the law on June 25th. The decree pointed out that the law would increase the risks that cryptocurrency transactions in Albania could be misused for illegal activities such as money laundering, terrorism financing, and tax evasion.

Introduced by Albania’s Minister of Finance and Economy, the Law is applicable to all regulated activities and subjects that perform their activity on the financial markets based on Distributed Ledgers Technology (“DLT”) in and/or from the Republic of Albania. The Law aims to regulate: (i) the issuance of digital tokens and virtual coins through Initial Coin Offering and Security Token Offering; (ii) licensing of activities related to DLT; (iii) monitoring and oversight of entities operating the distribution activity related to Digital Tokens and Virtual Coins; (iv) trading and storage of Digital Tokens and/or Virtual Coins; (v) the Digital Token agent; (vi) the innovative service provider; and (vii) the automated enterprises of collective Digital Token investment.

Beyond Digital Tokens and Virtual Coins, the Law is aiming to monitor all infrastructure where DLT operates and defines a legal framework for cryptocurrencies that would place Albania among the first three countries in the EU supporting them.

For further, more detailed information, please contact us.