“AI will become sentient around the same time that conference room A.V. works flawlessly every time”

- Jeff Garzik
Recent developments in the area of Fintech & DLT

Gibraltar’s future in DLT/blockchain

Siân Jones
The future's bright, the future's Orange

Created by WRCS for Orange Personal Communications Services Ltd
• 2015: Cryptocurrency working group
• 2 reports
• 2016: GFSC charged with developing regulations
• Q4 2016: Expanded to distributed ledger technology
• Q2 2017: Consultation paper published
• October 2017: DLT Regulations became law
• 1 January 2018: DLT Regulations came into force
Pioneering method for regulating businesses that use a nascent, evolving technology
• Purpose-designed
• Outcomes-focused
• Principles-based
• NOT soft or light-touch regulation
• Just as robust
• Regulated to same standard as other financial services businesses
• Appropriate, proportionate & relevant
Carrying on by way of business, in or from Gibraltar, the use of distributed ledger technology for storing or transmitting value belonging to others.
Outcomes

• Protect consumers
• Protect Gibraltar’s reputation
• Good for Gibraltar’s economy
Nine principles

• Honesty & integrity
• Fairness
• Resources
• Systems & controls
• Protection of customer assets
• Corporate governance
• Systems & security
• Financial crime
• Orderly & solvent wind-down
• ~30 applicants
• Broad range of use cases & business models
• ~50% currently having applications assessed
• Expecting to grant first licences: Summer 2018
ICO

Initial Coin Offering
• Offering of tokenised digital assets to the public
• Public token offering
• Means of raising finance
• Typically by early-stage startups
• Without issuing securities
• Now being used for later-stage financing
• ... and by established enterprises
• Largest ICO to date raised $4bn
• Use of PTOs exploded in 2017
• September 2017: Public statement
• December 2017: Discussion paper
• February 2018: Press release
• March 2018: Policy document
• March 2018: Added to Proceeds of Crime Act
• Q2 2018: Expected legislation
Token regulations

• Complement DLT Regulations
• Primary market promotion, sale & distribution
• Secondary market conduct
• Investment & ancillary services
The future's bright, the future’s DLT
The future's bright, the future’s red and white