

***“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



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

I C O

Initial Coin Offering

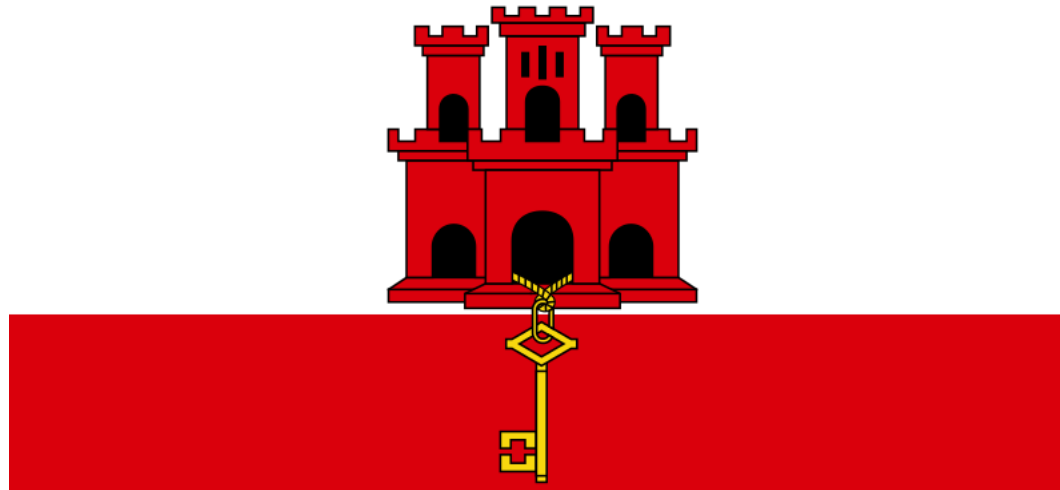
- Offering of tokenised digital assets to the public
- Public token offering
- Means of raising finance
- Typically by early-stage startups
- Without issuing securities
- Now being used for later-stage financing
- ... and by established enterprises
- Largest ICO to date raised \$4bn

- 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