

Dutch Finance Minister Urges Multi-National Regulation of Cryptocurrencies World

Posted by:

Posted on : 2018/3/13 10:21:21

The minister says the number of Dutch citizens who have invested in cryptocurrencies has jumped in the last year, with half a million households now owning it.

From CCN, Mar 12, 2018: Wopke Hoekstra, the Dutch Minister of Finance has notified the Senate and House of his plans to take action regarding the regulation of cryptocurrencies, which he claims are expanding and in need of better regulation. In a public [letter](#), Hoekstra said he intends to work with other European nations on this issue, but he acknowledges regulations will take time to develop.

Hoekstra noted that the number of Dutch citizens who have invested in cryptocurrencies has jumped in the last year, with half a million households now owning it. **Gaps in Protection** There is a need to close gaps in consumer and investor protection, Hoekstra said, but actions must be proportionate to the risks. Also, the integrity of the financial system must be guaranteed, as well as the integrity of the technologies supporting cryptocurrencies, such as cryptography and distributed ledger. The European nations have recognized the risk of cryptocurrencies as the deposits are not guaranteed. There are also concerns about cryptocurrency being used for illegal purposes, such as money laundering. Current regulatory frameworks for cryptocurrency are insufficient, he said. As a result, Germany, France and the [European Commission](#) have called for discussion. The [Netherlands](#), he said, should play a pioneering role. Cryptocurrencies, due to no central authority, are inherently cross-border currencies, Hoekstra noted. In addition, national regulations can be hard to enforce. Hence, he believes international measures are necessary. **Action Planned** Hoekstra will be part of the Financial Action Task Force, an international, intergovernmental which focuses on tackling money laundering and countering the financing crime and terrorism. Anti-money laundering rules that apply to banks and other financial institutions also apply to exchange platforms for cryptocurrencies and providers of digital storage vouchers. This means that the customer due diligence obligations, including the identity of the client, must be determined. In addition, financial institutions must register, comply with reliability and suitability requirements and report unusual transactions to the national Financial Intelligence Unit. As for government agencies investing in cryptocurrencies, Hoekstra said the guidelines for investing in cryptocurrencies by local authorities are established in the Local Government Funding Act and other regulations. He said he will dedicate himself to a European approach to regulating ICOs, which he noted can be used to finance new products, but are speculative in nature. Also read: [French, German finance officials call for global crackdown on cryptocurrency](#) [⋮] <https://www.ccn.com/dutch-finance-mini-tion-of-cryptocurrencies/>