

27 July 2020

Our Ref: FOI7337

## **Freedom of Information: Right to know request**

Thank you for your email of 5 June 2020, in which you asked for:

*"Under the Freedom of Information Act and in reference to a previous FOI response (your ref: FOI6686), I would like to know the following:*

- 1. How many inquiries has the FCA opened relating to cryptocurrency businesses (since our last response from September 2019)?*
- 2. How many ongoing inquiries are there at present?"*

We are handling your email as a request for information under the Freedom of Information Act 2000 (FOIA) and our response is set out below. Please accept our apologies for the delay in responding.

Before addressing the individual points of your request, it may help to clarify that, since 10 January 2020, the FCA has taken responsibility for the supervision of UK businesses that undertake cryptoasset activities subject to the [Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#), as amended (MLRs). These businesses are defined as cryptoasset exchange providers, and custodial wallets.

Therefore, in comparing the figures provided below with the data contained in our previous response [FOI6686](#), please note that the scope of our regulatory activities is now broader and it includes:

- a) the number of enquiries undertaken by our Enforcement Division in relation to unauthorised cryptocurrency activities (same as per previous response), and
- b) The number of supervisory enquiries conducted in relation to cryptoasset activities under MLRs, as defined above.

Please also note, with the term 'enquiries' we mean any probing actions initiated by the FCA in relation to the activities described in (a) and (b) above. For the avoidance of doubt, this term does not refer to formal enforcement "investigations", in which investigators have been formally appointed under section 168(2)(a) FSMA).

On this basis, we can confirm that:

**Question 1:**

- a) We have run a keyword-based search of our records, and we have identified a total of 51 new enquiries opened in relation to unauthorised businesses since September 2019.
- b) We have undertaken 34 enquiries (both proactive and reactive supervision) in respect of cryptoasset businesses falling within the scope of the MLRs (since 2 January 2020).

**Question 2:**

- a) As of 26 June 2020, a total of six enquiries in relation to unauthorised businesses were ongoing. Please note, these relate to enquiries that were opened prior to September 2019.
- b) On the same date, a total of 23 enquiries concerning cryptoasset businesses falling within the scope of the MLRs were in progress.

**Your right to complain under FOIA**

If you are unhappy with this response, you have the right to request an internal review. To do so, please contact us within 40 working days of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner by phone or on their website at:

Telephone: 0303 123 1113

Website: [www.ico.org.uk](http://www.ico.org.uk)