

04 November 2020

Our Ref: FOI7593

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

Thank you for your emails of 25 August and 24 September 2020, the latter of which helpfully clarified your request. Full details of your request and clarification are set out in Annex A below.

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, please note that the scope of our regulatory activities broadened over the time period that is the subject of the request. In keeping with our previous response, we are reporting on 2 key sets of data:

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

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). Nor does it include assessments of firms as part of their applications for registration under 5MLD.

On this basis, we can confirm that:

**Question 1:**

- a) We have run a keyword-based search of our records, and we have identified the following enquiries opened in relation to unauthorised cryptoasset businesses:

1 July 2015 – 30 June 2016	-	<b>2</b>
1 July 2016 – 30 June 2017	-	<b>0</b>
1 July 2017 – 30 June 2018	-	<b>29</b>
1 July 2018 – 30 June 2019	-	<b>59</b>
1 July 2019 – 30 June 2020	-	<b>52</b>

- b) In the period from 10 January to 20 October 2020 we opened 39 enquiries overall, in respect of cryptoasset businesses falling within scope of the MLRs. The quarterly breakdown of when these enquiries were opened is as follows:

10 Jan – 31 March 2020	<b>1</b>
1 April – 31 June 2020	<b>27</b>
1 July – 31 Sept 2020	<b>10</b>
1 Oct – 20 Oct 2020	<b>1</b>

**Question 2:**

- a) As of 25 September 2020, a total of 4 enquiries in relation to unauthorised cryptoasset businesses were ongoing.
- b) As of 20 October 2020, a total of 20 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)

Yours sincerely

Information Disclosure Team  
**Financial Conduct Authority**



## **Annex A:**

### Email request dated 25 August 2020:

Under the Freedom of Information Act and in reference to a previous FOI response (your ref: FOI7337), I would like to know the following:

1. How many inquiries has the FCA opened relating to cryptocurrency businesses?
2. How many ongoing inquiries are there at present?

Please provide this data broken down by quarter for each of the last five years, with a year-end of June 30 (or the latest quarter available). If you are unable to provide the data for the last five years, please just provide it for each of the last three years. If this is not possible, please provide the data for each of the last two years. If this is not possible, please provide the data for the latest year available.

Please do not hesitate to contact me if you have any questions on the above.

### Email request dated 24 September 2020:

Regarding the FOI response (ref: FOI7593) below, we would like to know:

- The number of inquiries that the FCA has opened relating to cryptocurrency businesses

Please provide this data on the number of inquiries opened for each of the following periods:

- October 1 2015 – December 31 2015
- January 1 2016 – March 31 2016
- April 1 2016 – June 30 2016
- July 1 2016 – September 30 2016
- October 1 2016 – December 31 2016
- January 1 2017 – March 31 2017
- April 1 2017 – June 30 2017
- July 1 2017 – September 30 2017
- October 1 2017 – December 31 2017
- January 1 2018 – March 31 2018
- April 1 2018 – June 30 2018
- July 1 2018 – September 30 2018
- October 1 2018 – December 31 2018
- January 1 2019 – March 31 2019
- April 1 2019 – June 30 2019
- July 1 2019 – September 30 2019
- October 1 2019 – December 31 2019
- January 1 2020 – March 31 2020
- April 1 2020 – June 30 2020
- July 1 2020 – September 24 2020 (or the latest date possible)

If providing this data is outside of the FOIA limit, please just prioritise the quarters for 2018, 2019 and 2020. If it is not possible to provide the data broken down by quarter then please provide the data broken down by year for each of the following periods:

- July 1 2015 – June 30 2016
- July 1 2016 – June 30 2017
- July 1 2017 – June 30 2018
- July 1 2018 – June 30 2019
- July 1 2019 – June 30 2020

Please do let me know if you require any further clarification on the above.