



Jersey

**PROCEEDS OF CRIME (SUPERVISORY BODIES)  
(VIRTUAL CURRENCY EXCHANGE BUSINESS)  
(EXEMPTION) (JERSEY) ORDER 2016**

**Arrangement**

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**Article**

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## **PROCEEDS OF CRIME (SUPERVISORY BODIES) (VIRTUAL CURRENCY EXCHANGE BUSINESS) (EXEMPTION) (JERSEY) ORDER 2016**

*Made*

*23rd September 2016*

*Coming into force*

*26th September 2016*

**THE CHIEF MINISTER**, in pursuance of Articles 10 and 44 of the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008<sup>1</sup>, orders as follows –

### **1 Interpretation**

- (1) In this Order, unless otherwise indicated or required by the context –
  - “calendar year” means a year beginning on 1st January and ending on the following 31st December;
  - “currency” means money other than virtual currency, whether in the form of cash or any negotiable instrument;
  - “Law” means the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008<sup>2</sup>;
  - “turnover” has the meaning given by paragraph (2);
  - “virtual currency” has the meaning given by the Proceeds of Crime (Jersey) Law 1999<sup>3</sup>; and
  - “virtual currency exchange business” means a business of the kind described in paragraph 9 of Part B of Schedule 2 to the Proceeds of Crime (Jersey) Law 1999<sup>4</sup>.
- (2) For the purposes of this Order “turnover”, in relation to a virtual currency exchange business carried on by a person, means the cumulative total, during a calendar year, of currency –
  - (a) that is, in the course of the person’s carrying on that business, bought from, or sold to, customers of the business in exchange for virtual currency; and
  - (b) measured in sterling in accordance with generally accepted accounting principles.

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**2 Conditions of exemption (turnover less than specified amount)**

- (1) A person who carries on virtual currency exchange business is a person prescribed for the purposes of Article 10(2)(a)(ii) of the Law, provided that the person notifies the supervisory body –
  - (a) that the person intends to carry on, or is carrying on, virtual currency exchange business; and
  - (b) that the turnover of that business as calculated by the person in accordance with Article 1(2) –
    - (i) in the calendar year immediately preceding the notification (the “current year”), is less than £150,000, and
    - (ii) in each complete calendar year preceding the current year (if any), was less than £150,000; and
  - (c) of the amount of turnover.
- (2) The disapplication of the Law by virtue of this Article and Article 10(2) of the Law is subject to the restrictions for which further provision is made by Article 3.
- (3) A person shall, within the period of 3 months beginning with the day on which the person ceases to carry on the virtual currency exchange business of which notification was given under paragraph (1), notify the supervisory body of that fact and of the date of such cessation.
- (4) A person who has –
  - (a) given notification under paragraph (1); but
  - (b) decided not to commence the virtual currency exchange business to which the notification relates,shall, within the period of 3 months beginning with the day on which the decision was taken, notify the supervisory body of that decision and of the date of the decision.
- (5) A person who has given notification under paragraph (1) shall continue to be a person prescribed as provided in that paragraph, if and for so long as the person further notifies the supervisory body –
  - (a) of the amount of turnover in each calendar year, being less than £150,000;
  - (b) no later than 31st March in the year immediately following the calendar year in respect of which the further notification is given.

**3 Restrictions on exemption**

- (1) The exemption conferred by Article 2 is restricted to Part 3 (apart from Article 10(2)) and Part 4 of the Law.
- (2) Parts 1, 2, 5 and 6 of the Law shall continue to apply in relation to a person prescribed under Article 2(1) (with all necessary modifications) as they apply in relation to a registered person, or to a regulated person, as the case may be.

**4 Transitional provisions**

- (1) Notwithstanding Article 2(1)(b) and (3), a person shall not be taken to have committed any offence under Article 10(4) of the Law for a period of 3 months beginning with the day on which the turnover of the person's virtual currency exchange business, in the calendar year immediately preceding that day is or exceeds £150,000.
- (2) If, within the period of 3 months mentioned in paragraph (1), a person to whom that paragraph applies makes an application to the supervisory body for registration under the Law, the person shall not be taken to have committed any offence under Article 10(4) of the Law until on or after –
  - (a) the day on which the application is finally determined (including as a result of an appeal to the Court under Article 19 of the Law) or is withdrawn; or
  - (b) in the event that the application is refused, such later date as may be specified by the supervisory body or the Court.

**5 Citation and commencement**

This Order may be cited as the Proceeds of Crime (Supervisory Bodies) (Virtual Currency Exchange Business) (Exemption) (Jersey) Order 2016 and shall come into force on 26th September 2016.

**SENATOR I.J. GORST**

*Chief Minister*

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- 1* chapter 08.785
  - 2* chapter 08.785
  - 3* chapter 08.780
  - 4* chapter 08.780