



Electronic Money Association

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Steven Maijoor
Executive Director of Supervision
De Nederlandsche Bank
Postbus 98
1000 AB Amsterdam

17 December, 2021

Dear Mr Maijoor

Re: DNB Consultation: draft Q&A, Sanctions Act screening by crypto service providers

The Electronic Money Association is the trade body for electronic money issuers and innovative payment service providers. Our members include leading payments and e-commerce businesses worldwide, representing online payments, card-based products, vouchers, those employing mobile channels of payment, and increasingly those providing cryptoasset services (CASPs). Several EMA members are now authorized in – or seeking authorization in - the Netherlands. Please find a full list of our members attached to this letter.

We welcome the opportunity to respond to this consultation, and would be grateful for your consideration of our submission.

Kind regards

Thaer Sabri
Chief Executive Officer
Electronic Money Association

EMA response

1. Section 1 on the meaning of ‘relationship’

The Q&As mention both counterparties and beneficiaries of cryptoasset transfers as falling within the meaning of ‘relationship.’ For some cryptoasset transfers, both the identity of the beneficiary and of the counterparty cryptoasset service provider may already be known by the CASP. It is unclear whether in this case, one or both would need to be considered a ‘relevant relationship’ for the purposes of sanctions screening and reporting.

Where the identity of the beneficiary *is* known, we consider that the counterparty does not also need to be considered a ‘relationship’ for the purposes of sanctions screening.

2. The verification of identity of holders of unhosted wallets

Cryptoasset transfers differ from other funds transfers in that either the originator or beneficiary may hold an unhosted wallet, from/to which transfers may be made without the use of a cryptoasset service provider. In these cases, there is an inherent and arguably ‘higher than minimal’ risk that the identity details provided for the holder of an unhosted wallet do not correspond to their real identity. This would then require verification measures to be applied to the holder of the unhosted wallet. Such verification measures are neither required under FATF nor EU AML rules. The Q&As thus impose a new and additional compliance burden on cryptoasset service providers, and moreover do so in relation to persons who are not their customers.

We consider that this requirement is overly burdensome, is not aligned with international and EU standards, and should therefore be removed.

3. The risk categorisation of different cryptoasset systems

We would like to question the example of a ‘high-risk cryptoasset system’ that has been provided in the Q&As. While we agree that a closed system always poses a lower risk than an open system, the fact that the payer or payee has a relationship with another cryptoasset provider should not on its own lead to a conclusion of high risk. This is because the counterparty cryptoasset service provider may be under an equivalent obligation to identify and verify the identity of its customers, report sanction list matches, monitor transactions, etc. If registered in the EU, the counterparty cryptoasset service provider will be prohibited from keeping anonymous cryptoasset accounts.

A conclusion of high risk therefore ought to be reserved for relationships with unhosted wallets or where other characteristics of the blockchain, transaction or jurisdiction point to a high risk of sanctions violations.

List of EMA members as of December 2021

[AAVE LIMITED](#)
[Account Technologies](#)
[Airbnb Inc](#)
[Airwallex \(UK\) Limited](#)
[Allegro Group](#)
[American Express](#)
[ArcaPay Ltd](#)
[Azimo Limited](#)
[Bitpanda Payments GmbH](#)
[Bitstamp](#)
[BlaBla Connect UK Ltd](#)
[Blackhawk Network Ltd](#)
[Boku Inc](#)
[CashFlows](#)
[Circle](#)
[Citadel Commerce UK Ltd](#)
[Contis](#)
[Corner Banca SA](#)
[Crypto.com](#)
[Curve](#)
[eBay Sarl](#)
[ECOMMPAY Limited](#)
[Em@ney Plc](#)
[emerchantpay Group Ltd](#)
[ePayments Systems Limited](#)
[Etsy Ireland UC](#)
[Euronet Worldwide Inc](#)
[Facebook Payments International Ltd](#)
[Financial House Limited](#)
[First Rate Exchange Services](#)
[FIS](#)
[Flex-e-card](#)
[Flywire](#)
[Gemini](#)
[Global Currency Exchange Network Limited](#)
[Globepay Limited](#)
[GoCardless Ltd](#)
[Google Payment Ltd](#)
[HUBUC](#)
[IDT Financial Services Limited](#)
[Imagor SA](#)
[Ixaris Systems Ltd](#)
[Modulr FS Europe Limited](#)
[MONAVATE](#)

[Moneyhub Financial Technology Ltd](#)
[Moorwand](#)
[MuchBetter](#)
[myPOS Europe Limited](#)
[OFX](#)
[OKTO](#)
[One Money Mail Ltd](#)
[OpenPayd](#)
[Own.Solutions](#)
[Oxygen](#)
[Park Card Services Limited](#)
[Paydoo Payments UAB](#)
[Paymentsense Limited](#)
[Payoneer Europe Limited](#)
[PayPal Europe Ltd](#)
[Paysafe Group](#)
[Plaid](#)
[PPRO Financial Ltd](#)
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[Remitly](#)
[Revolut](#)
[SafeCharge UK Limited](#)
[Securiclick Limited](#)
[Skrill Limited](#)
[Snowy Pay Ltd.](#)
[Soldo Financial Services Ireland DAC](#)
[Square](#)
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[SumUp Limited](#)
[Syspay Ltd](#)
[Transact Payments Limited](#)
[TransferMate Global Payments](#)
[TrueLayer Limited](#)
[Trustly Group AB](#)
[Uber BV](#)
[Vitesse PSP Ltd](#)
[Viva Payments SA](#)
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