

VIRTUAL CURRENCY SERVICE PROVIDER LICENSE IN ESTONIA

Due to the latest changes in Estonian legislation, more and more entrepreneurs choose the Republic of Estonia as their place of business. Managing business in the crypto industry in Estonia has several advantages in comparison with other EU countries and our team may provide a service for obtaining of a cryptocurrency license.

Business related to the crypto industry in Estonia Republic has the following advantages:

- The price for the license in the Republic of Estonia is much lower in comparison with the other EU countries;
- In accordance with the current legislation there is no taxation for the cryptocurrency mining in the Republic of Estonia;
- In accordance with the current legislation there is no taxation for the cryptocurrency transactions in the Republic of Estonia;
- Remote client's verification is allowed with IT means;
- Within client's verification it is possible to determine the risk profile of the client and its compliance with Know Your Customer principle and compliance with the Money Laundering and Terrorist Financing Prevention Act;
- The e-residence program allows residents of any country to effectively interact with the state authorities of the Republic of Estonia;
- There is no taxation for undistributed profit of the company;
- Non-residents of Estonia Republic can be shareholders or CEO of the company.

The following shall be applied to the crypto currency license:

- The regulator shall be Financial Intelligence Unit;
- [Money Laundering and Terrorism Financing Prevention Act](#);
- The term for consideration of the application for cryptocurrency license is 60 working days.

The following actions are allowed upon the crypto currency license:

- At the client's request the crypto currency Service Provider may create virtual currency (VC) wallet on the name of the client;
- Client's cryptocurrency storing at the VC wallet.
- Client can make transactions via this VC wallet, including sending virtual currency from the VC wallet, and receiving VC to the VC wallet;
- VC exchange mediation between 2 customers (p2p exchange);
- VC exchange to fiat currency and vice versa;
- Using virtual currency, which is disposed at the VC wallet for staking purposes.

The list of documents required for the crypto currency license includes:

- Properly filed Application;

- Procedural Rules and Internal Control Rules;
- Rules for cases when the International Sanctions implemented;
- Receipt for the Company's owner (incl. UBO), Board member's absence of conviction for a criminal offence;
- Statement of the bank account;
- Receipt on the contribution in the share capital in amount of 12 000 euro;
- Contract on the office rent;
- Receipt on the state fee payment in 3 300 euro.

Requirements for the person submitting application:

- The person shall submit the Procedural Rules and Internal Rules in accordance with the Money Laundering and Terrorism Financing Prevention Acts;
- In cases when the board member, procurator, actual beneficiary or the shareholder of the company is a foreigner or in cases when the company is established in the foreign country it is required to provide record from criminal records register of the corresponding country or to provide document with equal validity which proves the absence of conviction for a criminal offence against the authority of the state, offence relating to money laundering or other willfully committed criminal offence. The validity period of such a document is 3 months starting from the moment of its issue;
- In cases when the board member, procurator, actual beneficiary or the shareholder of the company is a foreigner or in cases when the company is established in the foreign country it is required to provide copies of the identity documents or travel documents related to the corresponding countries;
- It is required to provide documents related to the board member of the entrepreneur or procurator which contain information related to their education and complete list of their jobs;
- It is required to provide documents related to the board member information related to the area of their responsibility;
- It is required to provide list of the bank accounts created on behalf of the company which provides crypto currency services;
- It is required to provide information on how the company shall provide its crypto currency services in accordance with the current legislation;
- In cases when the company is in the process of its establishment it is required to provide the establishment contract or establishment decision.

COMMERCIAL OFFER – VIRTUAL CURRENCY SERVICE PROVIDER LICENSE

<u>Service</u>	<u>Prices</u>	<u>Terms</u>
<p>Company establishment</p> <p>The private limited company (Estonian – OÜ) may be established via e-residency card or through the notary. We may assist in both procedures to establish the company (the company shall be the virtual currency service provider (VCSP). This service includes:</p> <ol style="list-style-type: none"> 1. company name verification; 2. drafting of the model establishment documents; 3. legal address rent service for the period of 1 year; 4. service of provision of the contact person for the period of 1 year; 5. state fee payment in the amount of 190 euros. <p>In cases when the company is establishing through the notary the cost of notary deed shall be added.</p> <p>Also, this service may include the following additional costs:</p> <ol style="list-style-type: none"> 1. Costs of the notarization of documents; 2. Costs of the legalization of the documents; 3. Costs of the translation of the documents. <p>In cases when the company shall be established on behalf of the foreign legal person the price for establishment service shall vary depending on the current local legislation of the corresponding country.</p>	<p>From 1 000 euros</p>	<p>up to 10 working days</p>
<p>The preparation of the corporate documents of the company</p> <p>We may prepare set of Estonian company's documents, which are usually requested from the foreign persons, to identify Estonian company, its owners and representatives (e. g. payment institutions, banks and other entities which apply due diligence measures). The set of company documents includes:</p> <ol style="list-style-type: none"> 1. extract from Estonian Commercial Register which contains main information about the company, including its 	<p>from 600 euros</p>	<p>up to 5 working days</p>

<p>shareholders and management board members;</p> <ol style="list-style-type: none"> 2. Articles of Association of the company; 3. extract from the Estonian Register of Economic Activities which contains information about the licenses disposed by the company and notices of economic activities; <p>All of the mentioned above documents can be notarized, translated, legalized (including apostille) and sent by courier to any location. Each document can be sent separately.</p>		
<p>Account opening</p> <p>We are able to assist the company while opening account in bank or payment institution, which allows to use IBAN and make payments. This service may include:</p> <ol style="list-style-type: none"> 1. Consultation on the bank account opening and the initial assessment of the client's business; 2. Determination of company's risk profile and offering the payment institution which risk appetites shall correspond the established client's risk profile; 3. Drafting and consultation on the documents required for the bank account opening; 4. Communication with bank or payment institutions, answers on their requests and consultations. <p>This service is provided on hourly basis, and success fee is applicable, if account opening took less than 5 working hours.</p>	<p>75 euros per hour success fee – 750 euros</p>	<p>from 5 working days</p>
<p>Obtaining VCSP license</p> <p>Virtual currency service provider shall obtain relevant license in Estonia Financial Intelligence Unit (FIU). This service includes:</p> <ol style="list-style-type: none"> 1. determining the client's business model and the types of applicable virtual currency license; 2. assistance in preparing documents required to obtain the license; 3. drafting of company's risk assessment documents; 4. AML/CTF policy development; 	<p>7 800 euros</p>	<p>up to 75 working days</p>

<ol style="list-style-type: none"> 5. internal control rules development; 6. development of the rules for compliance with international and financial sanctions application regime; 7. preparing the application for VCSP license obtaining; 8. state fee payment in the amount of 3300 euros; 9. submission of the application for the license; 10. communication with FIU within the course license obtaining. <p>We also include up to 2 months of AML officer service provision within this service to obtain the VCSP license.</p> <p>The cost of service includes up to 15 lawyer's working hours.</p>		
<p>Support within the process of entering changes in the commercial register of the share capital</p> <p>In accordance with license requirements VCSP's share capital shall be at least 12 000 euros and shall be contributed in full (by monetary contribution). We are able to assist the company when it's increasing their share capital. This service include:</p> <ol style="list-style-type: none"> 1. preparation of the shareholders decision on the share capital increase; 2. assistance in preparing documents required to increase share capital; 3. preparing the application to Commercial Register to enter the changes of the share capital increase; 4. state fee payment in the amount of 18 euros; 5. submission of the application to the Commercial register 6. communication with Commercial Register within the course of making changes. <p>The translation cost for the document, which proves the contribution of the share capital shall be paid separately.</p>	<p>378 euros</p>	<p>Up to 5 working days</p>
<p>AML officer provision</p> <p>The company, which has valid VCSP license shall have the compliance officer (AML officer), who shall be working in Estonia. We can provide</p>	<p>6 000 euros per quarter</p>	

<p>person, who will perform AML officer duties. The AML officer duties include the following:</p> <ol style="list-style-type: none"> 1. organisation of the collection and analysis of information referring to unusual transactions or transactions or circumstances suspected of money laundering or terrorist financing, which have become evident in the activities of the company; 2. reporting to FIU in the event of suspicion of money laundering or terrorist financing 3. periodic submission of written statements on compliance with the requirements arising from current legislation to the management board of the company. <p>This service includes AML officer's working time in the amount up to 5 hours per month</p>		
<p>Board Member provision</p> <p>In accordance with license requirements the seat of VCSP's management board shall be in Estonia. It means, that at least one of the company's board member shall be in Estonia.</p> <p>We may provide the person who shall have the education, professional suitability, abilities, personal qualities, experience, and impeccable reputation required for performance of the management board member's duties in compliance with regulatory requirements for VCSP.</p> <p>This service includes board member's working time in the amount up to 5 hours per month.</p> <p>NB! It's possible to purchase the AML officer & Board member services together for a special price of 25 000 euros per year (one-time payment)</p>	<p>6 000 euros per quarter</p>	

<p>Office provision</p> <p>The VCSP's place of business shall be in Estonia. We may choose the premises and accompany the deal on the office rent, which shall be used as place of business of the VCSP. Rent can be paid on the quarterly or annual basis (with discount). The provided premises shall meet at least the following criteria:</p> <ol style="list-style-type: none"> 1. The cost of bail at the start of the contract does not exceed the cost of the 3 months' rent; 2. Premises area is starting from the 9 m²; 3. Rent cost along with the utility bills does not exceed 250 euros per month. 	<p>500 euros</p>	<p>up to 5 working days</p>
<p>Procurator appointment</p> <p>Estonian legislation allows to appoint a procurator who may arrange the deals on behalf of the company (like the board member's authority, procurator's authority grounds on the legislation and doesn't require power of attorney). Procurator shall not be considered as a board member thus her or his location is not limited to the Republic of Estonia. Procurator appointment allows him or her to effectively manage company. This service includes:</p> <ol style="list-style-type: none"> 1. preparation of the shareholders decision on procurator's appointment; 2. assistance in preparing documents required to appoint the procurator; 3. preparing the application to Commercial Register to appoint the procurator; 4. state fee payment in the amount of 18 euros; 5. submission of the application to the Commercial Register 6. communication with Commercial Register within the course of making changes. 	<p>378 euros</p>	<p>up to 7 working days</p>
<p>Notification of the authorities of the changes of circumstances relating to economic activities</p> <p>VCSP is obliged to notify FIU of the changes that may affect the issuance of the license and to update the data of the issued license in a timely manner (e. g. amendments in the ownership and actual beneficiaries, changes in the place of business, replacement of the AML officer, etc.).</p>	<p>1 000 euros</p>	<p>up to 60 working days</p>

<p>We may assist in updating the data of the issued license. This service includes:</p> <ol style="list-style-type: none"> 1. assistance in preparing documents required to make update the data of the issued license; 2. preparation of the application to FIU; 3. submission of the application to the FIU; 4. communication with FIU within the course of updating data. <p>Also, this service may include the following additional costs:</p> <ol style="list-style-type: none"> 1. Costs of the notarization of documents; 2. Costs of the legalization of the documents; 3. Costs of the translation of the documents. 		
<p>Application for license temporary renouncement and the end of the license renouncement</p> <p>When the VCSP wants to suspend it activity, it's able to apply for license's temporary renouncement. We can submit the application on the license temporary renouncement in cases when the company have to suspend its activities. In case when the license is suspended, we can submit the application on the end of such suspension to allow the company to proceed it's license related activities. These services include:</p> <ol style="list-style-type: none"> 1. preparation of the application to FIU; 2. submission of the application to the FIU; 3. communication with FIU within the course of updating data. 	<p>700 euros</p>	<p>up to 3 working days</p>