

REGULATION OF CRYPTO INDUSTRY: CURRENT STATE, STRATEGIES & EFFECTS EXECUTIVE SUMMARY

**SKOLKOVO Financial Innovation
and Cashless Economy Centre**

© 2018 Moscow school of management SKOLKOVO

All rights reserved. No part of this report may be reproduced in any form or by any means, including posting on the Internet and corporate networks, as well as recording in computer memory for private or public use, without the written permission of the copyright owner. The analytical studies contained in this report are the expression of the opinion of the authors of the study, including the use of third-party information. Although the sources of the information and data contained in this report are believed to be reliable, the authors of the study and the copyright holder make no representations or warranties, straight or implied, as to the accuracy or completeness of the information on which the content of this document is based.

EXECUTIVE SUMMARY

2018 could be designated as year of cryptoindustry regulation. Most countries especially developed ones create working groups to discuss and create certain laws and in some cases enact proposed legislation in relation to the actions of the cryptoindustry agents. Among 235 countries considered in this report, 35 already made their public statement towards cryptoindustry regulation. However, most of the regulators have already changed their positions, behaviors and attitudes towards the cryptoindustry a number of times since its emergence.

This report is the first one in the series of reports dedicated to the cryptoindustry produced by the SKOLKOVO Financial Innovation and Cashless Economy Centre. It analyzes global cases of cryptoregulation and classifies possible strategies of different regulators. This report will be useful not only to the governmental and regulatory institutions but also to all of the cryptoindustry ecosystem participants: businesses that lobby certain regulatory initiatives, companies that actively operate in the cryptoindustry, individuals that consider trading as a hobby or profession as well as to anyone, who is interested in the global cryptoindustry development. Regulation is one of the fundamental areas that needs to be taken into consideration during the creation of business strategies towards interaction with cryptoindustry and identification of possible current and future states of the market development.

Key results

1. 5 key goals that act as motives for the cryptoindustry regulation include:

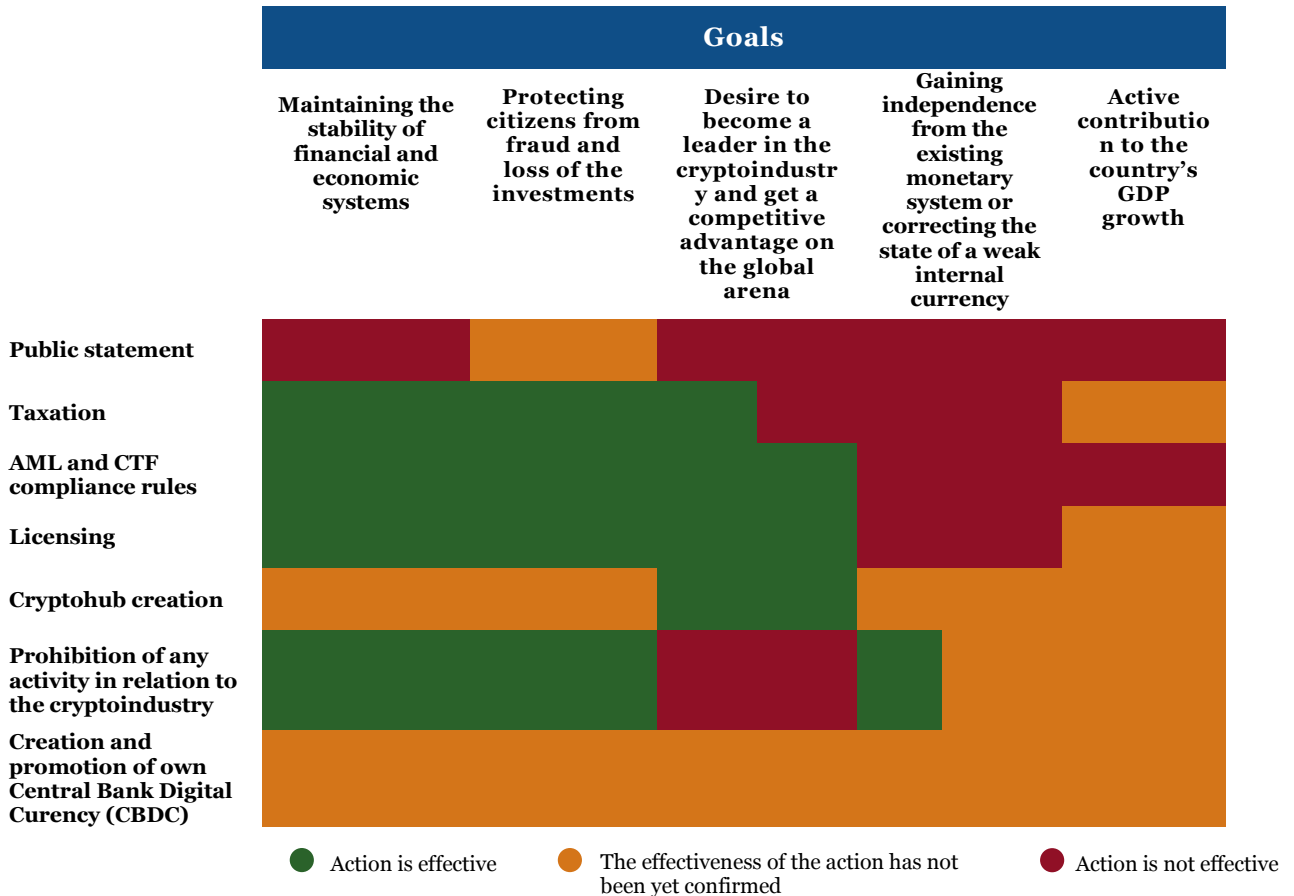
- Maintaining the stability of financial and economic systems;
- Protecting citizens from fraud and loss of the investments;
- Desire to become a leader in the cryptoindustry and get a competitive advantage on the global arena;
- Gaining independence from the existing monetary system or correcting the state of a weak internal currency;
- Active contribution to the country's GDP growth.

2. 7 main actions by the regulators towards the cryptoindustry:

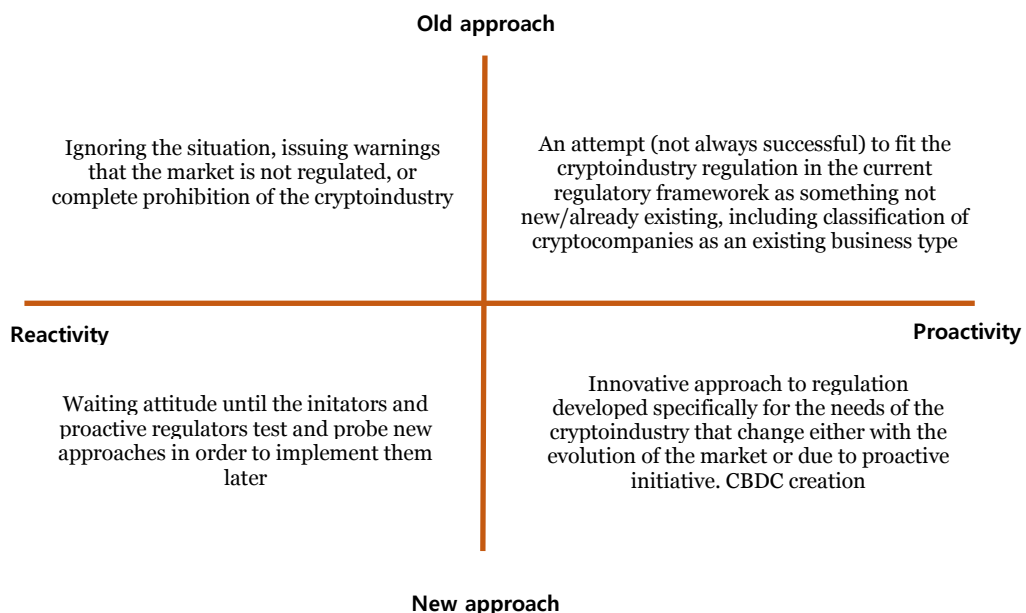
- Public statement;
- Taxation;
- Licensing;
- AML and CTF compliance rules;
- Cryptohub creation;
- Prohibition of any activity in relation to the cryptoindustry;
- Creation and promotion of own Central Bank Digital Currency (CBDC).



3. The efficiency of different actions in order to achieve the goals mentioned above can be summarized as follows:



4. Strategies for cryptoregulation on the basis of the current regulators' behavior and positions can be categorized as follows:





SKOLKOVO
Moscow School of Management

Moscow School of Management SKOLKOVO is one of the leading private business schools in Russia and CIS founded in 2006 under the initiative of business society. Educational programmes of Moscow School of Management SKOLKOVO target all business stages – from startups to large corporations entering global markets. All of the programmes are built on the principle of “learning by doing” and include theoretical blocks, practical assignments, project work and international modules.

Moscow School of Management today:

2200 alumni of degree programmes,

18350 corporate programmes participants,

150 client companies,

150 international professors,

more than 150 research projects in the areas of education, energetics, economics, philanthropy and urban studies

Moscow School of Management SKOLKOVO is also the center of expertise that attracts those, who rely on Russia and work in the markets with rapidly changing economies.

SKOLKOVO Financial Innovation and Cashless Economy (SFICE) Centre was created in 2018 on the basis of Finance, Payments and e-Commerce Chair of Moscow School of Management SKOLKOVO with the aim to build an independent Russian center of competences in financial innovations and cashless economy.

SFICE agenda is based on 3 key areas: research projects, educational programmes development and establishment of institutional partnerships. Results of the research are published in academic journals as well as used during the development of national programmes.

The Moscow School of Management SKOLKOVO

Novaya ul. 100, Skolkovo,

Odintsovsky District,

Moscow Region 143025, Russia

Phone: +7 495 539 30 03

E-mail: info@skolkovo.ru

Web: www.skolkovo.ru

