

Translation from Finnish**Legally binding only in Finnish and Swedish****Ministry of Finance, Finland****Act on Crypto-Asset Service Providers and Markets in Crypto-Assets***(402/2024)*

By decision of the Parliament, the following is enacted:

Chapter 1**General provisions****Section 1****Scope of application**

This Act applies to the following parties under Article 3(1) of Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, hereinafter the Markets in Crypto-Assets Regulation:

- 1) crypto-asset service providers referred to in subparagraph 15;
- 2) issuers of asset-referenced tokens referred to in subparagraph 6;
- 3) issuers of e-money tokens as referred to in subparagraph 7;

This Act also applies to other business activities of the parties referred to in subsection 1 and to issuers, offerors and persons seeking the admission of crypto-assets to trading.

In addition to this Act, the Markets in Crypto-Assets Regulation and Commission regulations and decisions issued under it shall apply to the activities referred to in subsections 1 and 2.

This Act also applies to:

- 1) other financial entities under Article 59(1)(b) of the Markets in Crypto-Assets Regulation when they provide crypto-asset services based on a notification under Article 60 of the said regulation;
- 2) credit institutions that offer asset-referenced tokens to the public or seek the admission of asset-referenced tokens to trading in accordance with Article 16(1)(b) of the Markets in Crypto-Assets Regulation; and
- 3) credit institutions and issuers of electronic money that offer e-money tokens to the public or seek the admission of e-money tokens to trading in accordance with Article 48(1)(b) of the Markets in Crypto-Assets Regulation.

Section 2

Supervision and cooperation with other authorities

The Financial Supervisory Authority supervises compliance with this Act and with the statutes and regulations adopted under it and with the Markets in Crypto-Assets Regulation and the Commission regulations and decisions issued under it. Provisions on the Financial Supervisory Authority are laid down in the Act on the Financial Supervisory Authority (878/2008). Provisions on the Financial Supervisory Authority's obligation to cooperate with the Consumer Ombudsman in monitoring customer protection are laid down in section 46 of the Act on the Financial Supervisory Authority.

The Financial Stability Authority functions as the resolution authority referred to in the Markets in Crypto-Assets Regulation. Provisions on the Financial Stability Authority are laid down in the Act on the Financial Stability Authority (1195/2014).

Chapter 2

Obligation to obtain authorisation and business activities other than those referred to in the Markets in Crypto-Assets Regulation.

Section 3

Obligation to obtain authorisation

Provisions on the obligation to obtain authorisation applicable to the offering of asset-referenced tokens to the public or the right to apply for the admission of asset-referenced tokens to trading are laid down in Article 16 of the Markets in Crypto-Assets Regulation.

Provisions on the obligation to obtain authorisation applicable to crypto-asset service providers are laid down in Article 59 of the Markets in Crypto-Assets Regulation.

Provisions on the right to offer e-money tokens to the public or admit e-money tokens to trading are laid down in Article 48 of the Markets in Crypto-Assets Regulation.

Section 4

Other business activities of crypto-asset service providers, issuers of e-money tokens and issuers of asset-referenced tokens

Crypto-asset service providers and issuers of asset-referenced tokens may engage in other business activities in accordance with their authorisation. Such other business activities may not endanger the interests of clients. The Financial Supervisory Authority may restrict other business activities or prohibit them if the crypto-asset service provider or issuers of asset-referenced tokens is not able to organise its activities or risk management in an adequately reliable manner.

Provisions on permitted business activities for issuers of e-money tokens that are authorised as payment institutions are laid down in section 9 and section 19, subsection 2 of the Act on Payment Institutions (297/2010). Provisions on permitted business activities for issuers of e-money tokens that are authorised as credit institutions are laid down in chapter 5 of the Act on Credit Institutions (610/2014).

Section 5

Request for review in case of delay

If no decision on an application for authorisation referred to in section 3 that included all of the required information has been made within six months of being submitted, the applicant may submit a request for a judicial review to the Helsinki Administrative Court. The request for a judicial review is then deemed to concern a decision rejecting the application. Judicial review may be requested until a decision is issued. If a decision is issued after the filing of the request for judicial review, the Financial Supervisory Authority shall notify the reviewing authority that a decision has been issued. Provisions on requesting a judicial review by an administrative court are laid down in the Administrative Judicial Procedure Act (808/2019).

Provisions on the right to request a review in situations other than those referred to in subsection 1 are laid down in section 73 of the Act on the Financial Supervisory Authority.

Chapter 3

Non-disclosure and disclosure provisions

Section 6

Non-disclosure obligation

Anyone who, in the capacity of a member or deputy member of a body of a crypto-asset service provider or of an undertaking belonging to the same group with it or of another undertaking operating on behalf of the crypto-asset service provider or as their employee or agent, in performing their duties, has obtained information on the financial position or private personal circumstances of a customer of the crypto-asset service provider or an undertaking belonging to the same group with it or of another person connected with its activities or on a trade secret shall be liable to not disclose it unless the person in whose benefit the non-disclosure obligation has been provided for consents to its disclosure. Non-disclosable information may not be given to a general meeting of a crypto-asset service provider or to the meeting of a corresponding body or to any shareholder, member, partner or other person attending the meeting.

The non-disclosure obligation laid down in subsection 1 above shall also apply to an offeror, a person seeking admission to trading, an issuer that has obtained authorisation and a person referred to in Article 16(1)(a) and Article 48(1)(a) of the Markets in Crypto-Assets Regulation.

The consent referred to in subsection 1 above shall indicate that it has been given voluntarily and specifically and with knowledge of the purposes for which the information may be used and disclosed. Consent may be withdrawn at any time.

Section 7

Disclosure of non-disclosable information to authorities

A crypto-asset service provider, an issuer, an offeror, a person seeking admission to trading, an authorised issuer or an undertaking belonging to the same group with it shall be liable to disclose the information referred to in subsection 6 to a prosecuting and pre-trial investigation authority for the investigation of a crime as well as to another authority entitled to this information under the law.

Section 8

Other disclosure of non-disclosable information

Notwithstanding non-disclosure provisions, a crypto-asset service provider, a person seeking admission to trading, an offeror and an authorised issuer may disclose information referred to in section 6 to an entity belonging to the same group and consortium for the purpose of customer service and other customer relationship management, marketing as well as for the risk management of the group or consortium if the recipient of the information is subject to a non-disclosure obligation laid down in this Act or an equivalent non-disclosure obligation.

In addition to the provisions of subsection 1, a crypto-asset service provider, an offeror and an authorised issuer may disclose information from its customer register necessary for marketing and customer service and other management of a customer relationship to an entity that belongs to the same financial consortium if the recipient of the information is subject to the non-disclosure obligation laid down in this Act or a corresponding non-disclosure obligation.

The provisions of subsections 1 and 2 do not apply to the disclosure of information referred to in Articles 9 and 10 of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Section 9

Explanation of delayed disclosure of information

Upon the request of the Financial Supervisory Authority, an issuer, offeror or a person seeking admission to trading must provide an explanation of the conditions for delayed disclosure of inside information as referred to in Article 88(3) of the Markets in Crypto-Assets Regulation.

Chapter 4

Supervisory powers and powers to issue regulations

Section 10

Suspending or prohibiting the provision of crypto-asset services

The Financial Supervisory Authority may suspend or require that a crypto-asset service provider suspend the provision of crypto-asset services for a maximum of 30 consecutive business days on any single occasion if there are reasonable grounds to suspect that the Markets in Crypto-Assets Regulation has been infringed.

The Financial Supervisory Authority may suspend or require that a crypto-asset service provider suspend the provision of crypto-asset services if, given the situation of the crypto-asset service provider, the provision of crypto-asset services would be detrimental to the interests of clients, in particular retail holders.

The Financial Supervisory Authority may prohibit the provision of crypto-asset services if the Markets in Crypto-Assets Regulation has been infringed.

Section 11**Disclosure of material information**

To ensure the protection of the interests of clients, in particular retail holders, or the smooth operation of the market, the Financial Supervisory Authority may disclose, or require a crypto-asset service provider to disclose, all material information which might have an effect on the provision of the crypto-asset services concerned.

To ensure the protection of the interests of clients, in particular retail holders, or the smooth operation of the market, the Financial Supervisory Authority may disclose, or require the offeror of a crypto-asset, the person seeking admission to trading of a crypto-asset or the issuer of an asset-referenced token or e-money token, to disclose all material information which may have an effect on the assessment of the crypto-asset offered to the public or admitted to trading.

Section 12**Publication of information**

The Financial Supervisory Authority may make public the fact that a crypto-asset service provider is failing to fulfil its obligations.

The Financial Supervisory Authority may make public the fact that an offeror, a person seeking admission to trading or an issuer of an asset-referenced token or e-money token, is failing to fulfil its obligations under the Markets in Crypto-Assets Regulation.

Section 13**Transfer of contracts when authorisation is withdrawn**

In cases where a crypto-asset service provider's authorisation is withdrawn in accordance with Article 64 of the Markets in Crypto-Assets Regulation, the Financial Supervisory Authority may require that existing client contracts be transferred to another crypto-asset service provider. The transfer requires the consent of the clients and the receiving crypto-asset service provider.

Section 14**Ordering the cessation of activities**

Where there is a reason to assume that a person is providing crypto-asset services without authorisation, the Financial Supervisory Authority may order the immediate cessation of the activity without prior warning or imposition of a deadline.

Section 15**Amending or supplementing crypto-asset white papers**

The Financial Supervisory Authority may require offerors, persons seeking admission to trading of crypto-assets, or issuers of asset-referenced tokens or e-money tokens to amend their crypto-asset white paper or further amend their modified crypto-asset white paper if the crypto-asset white paper or the modified crypto-asset white paper does not contain the information required by Article 6, 19 or 51 of the Markets in Crypto-Assets Regulation.

The Financial Supervisory Authority may require offerors, persons seeking admission to trading of crypto-assets, or issuers of asset-referenced tokens or e-money tokens, to include additional information in their crypto-asset white papers, where necessary for financial stability or the protection of the interests of the holders of crypto-assets, in particular retail holders.

Section 16**Amending marketing communications**

The Financial Supervisory Authority may require offerors, persons seeking admission to trading of crypto-assets, or issuers of asset-referenced tokens or e-money tokens, to amend their marketing communications if the marketing communications do not comply with the requirements set out in Article 7, 29 or 53 of the Markets in Crypto-Assets Regulation.

Section 17**Suspending, prohibiting or ceasing marketing communications**

The Financial Supervisory Authority may suspend or prohibit marketing communications where there are reasonable grounds for suspecting that the Markets in Crypto-Assets Regulation has been infringed.

The Financial Supervisory Authority may require offerors, persons seeking admission to trading, issuers of asset-referenced tokens or e-money tokens or relevant crypto-asset service providers to cease or suspend marketing communications for a maximum of 30 consecutive working days on any single occasion where there are reasonable grounds for suspecting that the Markets in Crypto-Assets Regulation has been infringed.

Section 18**Powers to suspend or prohibit an offer to the public or an admission to trading of crypto-assets**

The Financial Supervisory Authority may suspend an offer to the public or an admission to trading of crypto-assets for a maximum of 30 consecutive working days on any single occasion where there are reasonable grounds for suspecting that the Markets in Crypto-Assets Regulation has been infringed.

The Financial Supervisory Authority may prohibit an offer to the public or an admission to trading of crypto-assets where they find that the Markets in Crypto-Assets Regulation has been infringed or where there are reasonable grounds for suspecting that it will be infringed.

Section 19**Powers to suspend or prohibit trading of crypto-assets**

The Financial Supervisory Authority may suspend, or require a crypto-asset service provider operating a trading platform for crypto-assets to suspend, trading of the crypto-assets for a maximum of 30 consecutive working days on any single occasion where there are reasonable grounds for suspecting that the Markets in Crypto-Assets Regulation has been infringed.

The Financial Supervisory Authority may suspend, or require the relevant crypto-asset service provider operating the trading platform for crypto-assets to suspend, the crypto-assets from trading if the situation of the offeror, the person seeking admission to trading of a crypto-asset or the issuer of an asset-referenced token or an e-money token is such that trading would be detrimental to the interests of the holders of crypto-assets, in particular retail holders.

The Financial Supervisory Authority may prohibit trading of crypto-assets on a trading platform for crypto-assets if it finds that the Markets in Crypto-Assets Regulation has been infringed or there are reasonable grounds to suspect that it may be infringed.

Section 20

Powers to order the cessation of activities

Where there is a reason to assume that a person is issuing asset-referenced tokens or e-money tokens without authorisation or a person is offering or seeking admission to trading of crypto-assets other than asset-referenced tokens or e-money tokens without a crypto-asset white paper notified in accordance with Article 8 of the Markets in Crypto-Assets Regulation, the Financial Supervisory Authority may order the immediate cessation of the activity without prior warning or imposition of a deadline.

Section 21

Employment of outside expert advisers

The Financial Supervisory Authority may outsource verifications or investigations concerning the Markets in Crypto-Assets Regulation, provisions of Commission regulations or decisions issued under it as well as concerning this Act and provisions and regulations issued under it to auditors or other outside expert advisers. When carrying out such assignments, outside expert advisers shall have the rights laid down in sections 18, 19, 23 and 24 of the Act on the Financial Supervisory Authority and, when performing administrative tasks under public law assigned to them in accordance with this Act, they shall be subject to criminal liability for acts in office. The Tort liability Act (412/1974) shall apply to damage caused in the performance of expert assignments.

Provisions on the employment of outside expert advisers are also laid down in section 34 of the Act on the Financial Supervisory Authority.

Section 22

Powers relating to online interfaces and domain names

If an infringement within the scope of the Markets in Crypto-Assets Regulation may cause serious harm to the interests of clients or holders of crypto-assets, the Financial Supervisory Authority may, if essential to bring about the cessation of the infringement:

- 1) order a service provider to remove content, to provide an explicit warning to clients and holders of crypto-assets when they access an online interface, to disable or restrict access to an online interface or to remove an online interface;
- 2) order domain registries or registrars to delete a domain name or to register it in the name of the Financial Supervisory Authority.

The Financial Supervisory Authority may also issue a temporary decision, which will remain in force until a final decision is reached in the matter.

Prior to issuing a decision under subsection 1 or 2, the Financial Supervisory Authority shall give the addressee of the decision and the infringing operator an opportunity to be heard, except where the hearing cannot be organised as quickly as required by the urgency of the matter.

The Financial Supervisory Authority may impose a conditional fine for the purpose of enforcing compliance with its decisions under subsections 1 and 2. Provisions on the imposition of conditional fines and the ordering of their payment are laid down in the Act on Conditional Fines (1113/1990).

Decisions of the Financial Supervisory Authority referred to in subsection 1 are ineligible for judicial review by appeal. The addressee of a decision referred to in this section and the infringing operator may refer a decision other than a temporary decision to the Market Court by submitting an application within 30 days of the service of the decision. Otherwise, the decision remains in force. The decision shall be complied with unless otherwise ordered by the Market Court.

Provisions on the consideration of cases in the Market Court are laid down in the Market Court Proceedings Act (100/2013).

Section 23

Imposing a minimum denomination amount and limiting the amount issued

The Financial Supervisory Authority may require an issuer of an asset-referenced token or e-money token to introduce a minimum denomination amount or to limit the amount issued in accordance with Article 23(4), 24(3) or 58(3) of the Markets in Crypto-Assets Regulation.

Section 24

Prohibition decision and decision on a request for an administrative review

The Financial Supervisory Authority may prohibit a party infringing the Markets in Crypto-Assets Regulation or the Commission regulations and decisions issued under from continuing or repeating the conduct in question. The Financial Supervisory Authority may simultaneously obligate the conduct to be altered or rectified if this is deemed necessary to provide correct and sufficient information to the investors.

The Financial Supervisory Authority may enforce compliance with the prohibition or order referred to in subsection 1 by a conditional fine. Provisions on conditional fines are laid down in the Act on Conditional Fines.

Section 25

Criteria to be used for assessing knowledge and competence

The Financial Supervisory Authority issues regulations on the criteria for the assessment of knowledge and competence referred to in Article 81(7) of the Markets in Crypto-Assets Regulation.

Chapter 5

Administrative sanctions

Section 26

Penalty payment

The provisions referred to in section 40, subsection 1 of the Act on the Financial Supervisory Authority for the neglect or infringement of which a penalty payment may be imposed are the following provisions of the Markets in Crypto-Assets Regulation:

- 1) Articles 4–14 on crypto-assets other than asset-referenced tokens or e-money tokens;
- 2) Articles 16, 17, 19, 22, 23, 25, 27–41, 46 and 47 on asset-referenced tokens;
- 3) Articles 48–51, 53, 54 and 55 on requirements to be fulfilled by all issuers of e-money tokens;
- 4) Articles 59, 60, 64 and 65–83 on the authorisation of and operating conditions for crypto-asset service providers;
- 5) Article 88 on public disclosure of inside information;
- 6) Articles 89–91 on the prohibition of insider dealing, unlawful disclosure of inside information, and market manipulation; and
- 7) Article 92 on the prevention and detection of market abuse.

A penalty payment may also be imposed on anyone who fails to comply with or violates provisions of Commission regulations or decisions issued under the provisions referred to in subsection 1.

Section 27

Imposition and implementation of administrative sanctions

Provisions on the imposition, publication and implementation of administrative sanctions are laid down in chapter 4 of the Act on the Financial Supervisory Authority and in Title VII of the Markets in Crypto-Assets Regulation.

Chapter 6

Penal provisions and liability for damages

Section 28

Crypto-asset offence

A person who intentionally or through gross negligence:

- 1) offers asset-referenced tokens as defined in Article 3(1)(6) of the Markets in Crypto-Assets Regulation to the public without the authorisation referred to in Article 16(1)(a) of the Markets in Crypto-Assets Regulation,
- 2) admits asset-referenced tokens to trading without the authorisation referred to in Article 16(1)(a) of the Markets in Crypto-Assets Regulation,
- 3) provides crypto-asset services as defined in Article 3(1)(16) of the Markets in Crypto-Assets Regulation without the authorisation referred to in Article 59(1)(a) of the Markets in Crypto-Assets Regulation,
- 4) acts in violation of a decision referred to in section 26 of the Act on the Financial Supervisory Authority on the withdrawal of authorisation under the Markets in Crypto-Assets Regulation or a decision referred to in section 27 of the Act on the Financial Supervisory Authority on the restriction of business activity authorised under the Markets in Crypto-Assets Regulation,

shall, unless the act is of minor significance or unless a more severe punishment for the act is provided elsewhere by law, be sentenced for a *crypto-asset offence* to a fine or to imprisonment for at most one year.

Provisions on crypto-asset market offences are laid down in chapter 51 of the Criminal Code (39/1889).

Section 29

Breach of non-disclosure obligation

Punishment for a breach of the non-disclosure obligation laid down in sections 6–8 shall be sentenced in accordance with chapter 38, section 1 or 2 of the Criminal Code, unless a more severe punishment for the act is provided elsewhere by law.

Section 30

Liability for damages

A crypto-asset service provider, a person seeking admission to trading, an issuer, an offeror, an authorised issuer, a person referred to in Article 16(1)(a) of the Markets in Crypto-Assets Regulation, a person referred to in Article 48(1)(a) of the Markets in Crypto-Assets Regulation, and a financial entity referred to in Article 60(1)–(6) of the Markets in Crypto-Assets Regulation shall be liable for any loss that it has caused, intentionally or negligently, to an injured party through conduct in violation of this Act or the regulations issued under it or in violation of the Markets in Crypto-Assets Regulation and the Commission regulations and decisions issued under it.

The managing director, a member of the board of directors or a member of a comparable body, or an active partner of an issuer of asset-referenced tokens shall be liable for any loss that they have caused, intentionally or negligently, in their duties to the issuer of asset-referenced tokens or to a shareholder or other person by infringing Article 34(3) or 36(6) of the Markets in Crypto-Assets Regulation.

The managing director, a member of the board of directors or a member of a comparable body, or an active partner of a crypto-asset service provider shall be liable for any loss that they have

caused, intentionally or negligently, in their duties to the crypto-asset service provider or to a shareholder or other person by infringing Article 68(6) of the Markets in Crypto-Assets Regulation.

A loss referred to in subsection 2 and 3 above is deemed to have been caused by negligence if the party responsible for the conduct fails to demonstrate that due care was taken.

Provisions on the adjustment of damages and the allocation of liability between two or more liable persons are laid down in chapters 2 and 6 of the Tort Liability Act.

Chapter 7

Transitional provisions and entry into force

Section 31

Entry into force

This Act enters into force on 30 June 2024. The provisions of this Act on crypto-asset service providers enter into force on 30 December 2024.

This Act repeals the Act on Virtual Currency Providers (572/2019), hereinafter the *repealed act*.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force. The Financial Supervisory Authority may consider an application for authorisation referred to in section 3 under this Act before it enters into force.

Section 32

Transitional provisions

A virtual currency provider referred to in section 2, subsection 1, paragraph 2 of the repealed act that offers services related to a virtual currency referred to in paragraph 6 of the said subsection on the basis of a registration granted by the Financial Supervisory Authority shall retain the right to offer the registered services related to a virtual currency in accordance with the repealed act until 30 June 2025 or until it is granted authorisation as referred to in Article 59 of the Markets in Crypto-Assets Regulation, whichever is sooner, provided that it has submitted an application for

authorisation in accordance with Article 62 of the Markets in Crypto-Assets Regulation no later than on 30 October 2024.

The transitional period referred to in subsection 1 above shall also apply to a virtual currency provider referred to in section 2, subsection 1, paragraph 2 of the repealed act that was entered into the Financial Supervisory Authority's register no more than six months before the entry into force of this Act and that has submitted an application for authorisation in accordance with Article 62 of the Markets in Crypto-Assets Regulation no later than on 30 October 2024.

However, the repealed act and the regulation issued under it shall apply to virtual currency providers referred to in section 2, subsection 1, paragraph 2 of the repealed act for the duration of the transitional period laid down in subsections 1 and 2.