REPUBLIC OF ESTONIA
FINANCIAL INTELLIGENCE UNIT

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Our ref 04.06.2021 no 1.2-2/18-2

We hereby forward answers to your questions regarding the due diligence measures received on the 19. May. With the request you have asked FIUs answers for the following questions:

1. Does condition 1(2) "The currency exchange service may be provided without identifying the person participating in the transaction of the value of the amount exchanged in cash in a one-off transaction or linked transactions do not exceed 1,000 euros "stipulated under Article "§ 25" applies also to the virtual currency service provider?

The condition stipulated in the section 12 of the § 25 of Money Laundering and Terrorist Financing Prevention Act does not apply to the virtual currency service providers who must, according to the section 1 of the same paragraph, identify all persons participating in the transaction without any threshold. The exception (brought out in the question) applies only to a foreign exchange service providers where they accept cash, exchange it to a foreign currency and issue it to client (the cash is meant as physical cash).

2. If yes, does this condition where the "value of the amount exchanged in cash in a one-off transaction or linked transactions" apart from mentioned cash also applicable to fiat and electronic transactions?

As stated in the answer for the previous question, the virtual currency service providers must identify all persons participating in the transaction without any threshold.

3. In our understanding, paragraph 1(2) of Article § 25 is related to the "virtual currency service provider" that provides virtual currency exchange services and allows the "virtual currency service provider" not identifying the person participating in the transaction of the value of the amount exchanged in cash in a one-off transaction or linked transactions does not exceed 1,000 euros if the transaction also has been done electronically/remotely.

The Money Laundering and Terrorist Financing Prevention Act specifically forbids the virtual currency service provider to offer services without identifying person participating in the transaction. If such transaction is allowed the virtual currency service provider breaches the duty to identify person and verify person's identity stipulated in the § 84.

Yours sincerely

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Acting Head of FIU Estonia