

Regulations on the activity
of a cryptocurrency
exchange office operator

CHAPTER 1
GENERAL PROVISIONS

1. These Regulations establish the procedure for carrying out of the activity of a cryptocurrency exchange office operator.

2. The resident of the High Technologies Park (hereinafter referred to as the “HTP”), whose business project stipulates the activity of a cryptocurrency exchange office operator upon concluding the contract with the State Institution “The High Technologies Park Administration” (hereinafter referred to as the “HTP Administration”), which determines the terms and conditions of the HTP resident’s activity, shall undertake the obligation to carry out such type of activity in accordance with these Regulations, that shall form an integral part of such contract.

3. For the purposes of these Regulations the terms given below shall have the following meanings:

3.1. “clients” mean the cryptocurrency exchange office operator's counterparties with whom he executes transactions (operations) stipulated by his business project or those who have referred to him in order to execute such transactions (operations);

3.2. a “beneficial owner of a cryptocurrency exchange office operator” means an individual who is the cryptocurrency exchange office operator's property owner, or who owns no less than 10 percent of the cryptocurrency exchange office operator's shares (participatory interests in the charter capital, shares), or who either directly or indirectly (through third parties) ultimately has the right or the ability to give mandatory instructions for such cryptocurrency exchange office operator, affect the decisions made by him or otherwise control his actions.

4. Other terms have the meanings specified by the Decree of the President of the Republic of Belarus of December 21, 2017 No. 8 “On the Development of the Digital Economy” and other legislation.

For the purposes of these Regulations the provisions set forth for the legal entities shall also apply to the organizations established in accordance with the foreign law that have no status of a legal entity (except for separated subdivisions of legal entities).

5. The cryptocurrency exchange office operator is obliged to:
- make sound (video) recording of conversations with clients with the use of communication tools (with mandatory prior notification of clients about it), to store such sound (video) recordings and all correspondence with clients during not less than 5 years from the date of making (appearing of) such sound (video) recordings and correspondence;
 - perform backup of all data on the transactions (operations) executed by clients at the end of each day;
 - ensure the prompt execution of the clients' orders for purchase and (or) sale of tokens for money or electronic money, or the exchange of tokens of one type for the tokens of another type under the provisions of these Regulations (subject to the ability to execute such orders);
 - take measures to ensure the knowledge of the cryptocurrency exchange office operator's employees and persons directly involved by him under civil law contracts in the performance of the cryptocurrency exchange office operator's activity, about the legislation regulating the cryptocurrency exchange office operator's activity, his local acts and these Regulations;
 - comply with other requirements imposed by the legislation, as well as these Regulations and other acts of the HTP Supervisory Board.

CHAPTER 2

THE PROCEDURE FOR ESTABLISHING OF RELATIONSHIPS WITH CLIENTS

6. The cryptocurrency exchange office operator is entitled to establish the relationships with clients, which may be legal entities or individuals (both residents and non-residents of the Republic of Belarus), unless as otherwise may be provided by the legislation and (or) these Regulations.

The relationships between the cryptocurrency exchange office operator and his clients shall be established on a contractual basis.

In the contracts pursuant to which such relationship is established, the cryptocurrency exchange office operator is obliged to specify the conditions stipulated in these Regulations and other acts of the HTP Supervisory Board, as well as by the legislation.

For the purposes of establishing the relationships with clients, the cryptocurrency exchange office operator must request the following information:

- from an individual – his last name, first name, patronymic (if any), date of birth and the address of residence;
- from a legal entity – its name, location and Tax ID number;
- contact details of the client in order to communicate with him (e-mail or other contact details if required);
- other details required in accordance with the legislation, the local acts or contractual obligations of the cryptocurrency exchange office operator,

including, with respect to the prevention of money laundering, financing of terrorist activities and proliferation of weapons of mass destruction.

In case when the cryptocurrency exchange office operator provides the clients with the ability to create a personal account in his information system, the cryptocurrency exchange office operator must take measures in order to avoid the creation of two or more personal accounts by the same client.

7. The cryptocurrency exchange office operator has no right to establish relationships with:

individuals under the age of 18;

non-residents of the Republic of Belarus, if this is prohibited by the legislation of the country, of which such non-residents of the Republic of Belarus are the citizens (nationals) and (or) on which territory they are located (established, registered) or have permanent residency under the residence permit (or similar document);

persons included in the list of organizations and individuals, including individual entrepreneurs, involved in terrorist activities, as well as legal entities the beneficial owners of which are included in this list;

other persons in the cases specified by the legislation, acts of the HTP Supervisory Board, contractual obligations of a cryptocurrency exchange office operator or the cryptocurrency exchange office operator's local acts.

8. Before execution of the transactions with the citizens of the Republic of Belarus relating to the purchase of tokens for money or electronic money, the cryptocurrency exchange office operator is obliged to ensure they have sufficient level of knowledge (competence) necessary to execute such transactions. The cryptocurrency exchange office operator has no right to execute such transactions with the citizens of the Republic of Belarus in respect of which he has determined they don't possess such level of knowledge (competence).

In order to determine the level of knowledge (competence) necessary for the execution of the transactions specified in this paragraph, the cryptocurrency exchange office operator shall provide the citizens of the Republic of Belarus with a questionnaire (test) to complete (to pass).

The cryptocurrency exchange office operator is obliged to ensure the storage of the documents and other materials obtained while determining the level of knowledge (competence) pursuant to parts 1 and 2 of this paragraph during not less than 5 years from the date of receipt of such documents and other materials.

The cryptocurrency exchange office operator is entitled at his discretion to determine the criteria to be met by non-residents of the Republic of Belarus, as well as by legal entities of the Republic of Belarus in order to establish relationships with them (including the requirements in respect of the financial standing and reputation).

CHAPTER 3

REQUIREMENTS FOR ADVERTISING AND INFORMING CLIENTS

9. The cryptocurrency exchange office operator is obliged to comply with the requirements for advertising tokens and his own activity (including, advertising that may induce to execute transactions (operations) with tokens via him), provided by the law and these Regulations, and ensure such compliance, unless as otherwise may be provided by these Regulations.

The following requirements for the advertisement of tokens and the activity of a cryptocurrency exchange office operator, published (distributed) on the territory of the Republic of Belarus (including with the involvement of third parties) are determined by these Regulations:

advertisement shall be clear, fair and not misleading;

the advertisement shall include an extended risk warning to the persons acquiring tokens, indicating that tokens are not payment instruments, not protected by the state and that the acquisition of tokens can lead to a complete loss of money and other objects of civil rights, transferred in exchange for tokens (including as a result of token prices volatility; technical failures (errors); illegal actions, including theft);

the advertisement shall include the source and the form of remuneration paid to the advertiser, to the person who communicates the advertisement message directly to consumers, as well as to the person depicted in the advertisement (if the relevant relationships are free of charge, the absence of remuneration shall be stated);

if the advertisement describes past, simulated or potential indicators, such advertisement shall explicitly explain the essence of such indicators to consumers, as well as the probabilistic nature of conclusion made on their basis in accordance with the requirements of the advertising legislation;

the advertisement that includes a public offer shall bring to clients' attention all terms of such offer, as well as describe the actions leading to the acceptance of such offer;

the advertisement that mentions tax benefits shall describe such benefits in detail;

the advertisement shall not contain (use):

a promise or a guarantee of future efficiency (profitability) of tokens themselves or the activities associated with tokens. The use of information on the efficiency (profitability) of tokens themselves or the activities associated with tokens for the previous period is permitted in advertising if the cryptocurrency exchange office operator possesses the accounting (financial) statements verified by an auditing firm (an auditor acting as an individual entrepreneur) confirming such information;

information on luxury goods, bonuses and discounts;

information on making transactions with tokens as a way of quick enrichment;

statements to the effect that making transactions with tokens is important factor for achieving public recognition, as well as professional or personal success;

images of minors;

statements that exaggerate the likelihood of receiving income as a result of transactions with tokens or diminish the risk of the total loss of money and other objects of civil rights transferred in exchange for tokens;

statements that condemn a non-participation in public relations around the use of tokens.

If the method used in the publishing (distribution) of the advertisement relating to the placed tokens on the global computer network Internet (hereinafter referred to as the "Internet") (banners in particular), transport advertisement and the outdoor advertisement does not allow to specify all the information required by parts 2 and 4 of this paragraph, the advertisement shall include only a warning message about the risk of total loss of money invested in tokens along with a link to the page (site) on the Internet where the information required by part 2 of this paragraph is posted in full.

When publishing (distributing) advertisements of:

tokens, the cryptocurrency exchange office operator is required to ensure the compliance with the requirement specified in part 2 of this paragraph in full;

cryptocurrency exchange office operator's activity, the cryptocurrency exchange office operator is required to ensure the compliance with the requirement specified in indent 2 of part 2 of this paragraph;

cryptocurrency exchange office operator's activity, the cryptocurrency exchange office operator is recommended to comply with the requirements specified in indents 3-15 of part 2 of this paragraph.

The cryptocurrency exchange office operator is required to ensure the receipt of a prior approval in writing of the text of the tokens advertisement and his activity advertisement from the officer in charge of compliance with the HTP regime and the cryptocurrency exchange office operator, containing such officer's opinion in respect of the ability of the publication (distribution) of such advertisement.

10. The cryptocurrency exchange office operator is obliged to provide the clients with the information, which must be provided in accordance with the legislation and these Regulations.

The clients must be provided with following information:

on the terms and conditions pursuant to which the relationship with the client is being established, i.e. the text of the relevant contract (the texts of the relevant contracts). Provided, however, that the client's attention shall be directed to the timing of execution of the clients' orders for buying and (or) selling of tokens for money, electronic money or exchange of tokens of one type for the tokens of another type, as well as to the procedure of unilateral

amendment and termination of the contract by the cryptocurrency exchange office operator (if such procedure is stipulated in the contract);

on the risks faced by the persons acquiring tokens, indicating that tokens are not payment instruments, are not protected by the state and that the acquisition of tokens can lead to a complete loss of money and other objects of civil rights (investments), transferred in exchange for tokens (including as a result of token prices volatility; technical failures (errors); illegal actions, including theft);

that fact, that the subject matter of the transaction to be executed by a cryptocurrency exchange office operator are the tokens that were created and placed on the instruction of an employee and (or) the property owner, founder (shareholder) and (or) a beneficial owner of a cryptocurrency exchange office operator, or, pursuant to the legislation, were created and placed by an employee and (or) a beneficial owner of a cryptocurrency exchange office operator on his own behalf (without giving instructions to other persons). Such fact shall be disclosed to the client prior to the execution of the relevant transaction with him.

The information to be provided to the clients in accordance with part 2 of this paragraph must be provided:

to each client individually (with a receipt of acknowledgement from the client as to his familiarization with such information);

in an accessible form for the client (the text shall be clear and easy-to-perceive, presented in a logically structured order without complicated phrases, made in an easy-to-read font size);

in a textual form avoiding conflict of interpretation (provided, however, that the terms that do not have uniform interpretation in legislation or which interpretations are not determined in legislation and have different meanings, shall be clearly defined);

prior to establishing relationship with the client;

irrespective of whether such information has been provided in the advertisement of a cryptocurrency exchange office operator's activity.

Apart from informing the clients in accordance with parts 2 and 3 of this paragraph, a cryptocurrency exchange office operator is obliged to post (disclose) on his website on the Internet the information (documents) specified in the Appendix to these Regulations. Such information (such documents) shall be posted on the home page of the relevant website or on a separate page of such website with taking measures aimed at attracting website visitors to such separate page.

The cryptocurrency exchange office operator is not entitled to provide his clients with advice that may induce them to acquire or sell certain tokens (certain types of tokens).

CHAPTER 4

PROCEDURE FOR EXECUTION OF TRANSACTIONS WITH TOKENS BY A CRYPTOCURRENCY EXCHANGE OFFICE OPERATOR

11. The cryptocurrency exchange office operator executes the following transactions with tokens (hereinafter referred to as the “transactions with tokens”):

purchase of tokens for Belarusian rubles, foreign currency, electronic money;

sale of tokens for Belarusian rubles, foreign currency, electronic money;

exchange of tokens of one type for tokens of another type.

Transactions with tokens shall be executed by a cryptocurrency exchange office operator in his own name and on his own behalf with the use of his information system and (or) his software and hardware terminals operating in a self-service mode (cryptomats).

In order to execute the transactions with tokens, a cryptocurrency exchange office operator shall receive the clients' orders for buying and (or) selling of tokens for money, electronic money or exchange of tokens of one type for the tokens of another type, which shall constitute the offers. The content requirements of such orders in accordance with the legislation which they must meet in order to be accepted and executed, as well as the procedure for their execution (partial execution) and settlements shall be determined by the cryptocurrency exchange office operator's local acts. If a cryptocurrency exchange office operator is able to execute the order which complies with the aforementioned requirements, he is obliged to accept and execute it. Execution of such order shall be immediately performed upon its receipt and at the price notified to the client at the moment of his submission of the respective order. The cryptocurrency exchange office operator is obliged to record the exact time at which such moment has occurred (to the nearest second) and send the e-mail message to the client containing such time immediately upon receipt of the respective order from the client.

12. When using in his activity of the software and hardware terminals operating in a self-service mode (cryptomats), the cryptocurrency exchange office operator is required to take measures on ensuring their safekeeping, including putting in place a video surveillance systems, as well as to conclude a contract relating to a 24-hour security of such terminals with the Security Department of the Ministry of Internal Affairs of the Republic of Belarus rendering security services for the protection of objects (property) owned by legal entities or individual entrepreneurs with the use of security means and systems.

13. Promptly upon execution of the transaction with tokens with a client, the cryptocurrency exchange office operator is required to send an e-mail message to the client (issue a receipt if the transaction with tokens was

performed via a software and hardware terminal operating in a self-service mode (cryptomat) containing full terms and conditions of the executed transaction.

14. The cryptocurrency exchange office operator is obliged to take measures to exclude the possibility of the execution of transactions with tokens:

that are created and (or) placed in breach of the legislation (including indent 2 of part 1 of sub-paragraph 2.1, indent 3 of part 3 of sub-paragraph 2.2 of paragraph 2, indent 3 of part 1 of sub-paragraph 3.4 of paragraph 3 of the Decree of the President of the Republic of Belarus of December 21, 2017 No. 8) and (or) acts of the HTP Supervisory Board;

that are based on the principle of the total anonymity of transactions executed with them.

15. In order to execute transactions with tokens, the cryptocurrency exchange office operator shall receive from the client to his current (settlement) bank account, electronic wallet or to the address (identifier) of his virtual wallet, the money, electronic money or tokens, and depending on the type of the transaction with tokens, shall transfer to the client the money, electronic money or tokens as consideration. The order of performance by the parties of such obligations in respect of the transactions with tokens shall be determined by the relevant contract (contracts) between the cryptocurrency exchange office operator and the client.

If the parties agree that performance by a cryptocurrency exchange office operator of his obligation to transfer to the client the money, electronic money or tokens shall take place only after completion by the client of his obligation to transfer to the cryptocurrency exchange office operator the money, electronic money or tokens (depending on the type of the transaction with tokens), the cryptocurrency exchange office operator is obliged to ensure the ability to identify the purpose of client's money, electronic money or tokens that he has received from the client (i.e. the possibility of an unequivocal determination of the client's order pursuant to which the client has transferred to the cryptocurrency exchange office operator such money, electronic money or tokens).

Annex
to the Regulations on the activity of
a cryptocurrency exchange office operator

INFORMATION (DOCUMENTS) REQUIRED TO BE POSTED
(DISCLOSED) BY A CRYPTOCURRENCY EXCHANGE OFFICE
OPERATOR ON HIS WEBSITE ON THE INTERNET

1. General terms and conditions of selling tokens, the contents of which comply with the requirements imposed by the HTP Supervisory Board.
2. Local act which determines the procedure of managing of a conflict of interest arising from the cryptocurrency exchange office operator's activities.
3. Information on the actions, which the client is entitled to take in case he does not agree with the cryptocurrency exchange office operator's actions (failure to act) (the client's right to refer a dispute to the court and the opportunity to settle a dispute through mediation shall be specified).
4. Information to the effect that a cryptocurrency exchange office operator is the HTP resident (with indication of the number and the date of the decision on the registration as the HTP resident) and that he carries out his activity in accordance with the Decree of the President of the Republic of Belarus of December 21, 2017 No. 8 and other legislation.