Leading Virtual Asset Industry Bodies Request to
Further FATF Collaboration

20 April, 2021

To: FATF Secretariat and FATF Virtual Asset Contact Group (VACG)

Global Digital Finance (GDF), the Chamber of Digital Commerce (CDC), and the International Digital Asset Exchange Association (IDAXA), together representing a significant proportion of global Virtual Asset Service Providers (as provided for by the current and expanded definition scope), hereby:

● Highlight and welcome the substantial benefits that have been realised through the close cooperation with the FATF since the FATF’s Virtual Asset Recommendations were ratified in June 2019;

● Recognise that the interaction with the FATF Secretariat and VACG through multiple forums and presentations have enhanced knowledge-sharing, cooperation, and assisted with an improved dialogue since May 2019 at the FATF’s Vienna Public Sector Consultative Forum. The positive impact of this collaboration has been substantial;

● Further recognise that the industry is still in a state of rapid growth where, unlike the traditional financial sector, rapid updates to business models, technology, and data availability may lead towards the Guidance on the Risk Based Approach to VA’s and VASPs (the “Guidance”) requiring further updates over time to ensure relevance, accuracy and fitness-for-purpose;

● That whilst there has been significant progress to-date, substantial matters remain to ensure appropriate application and adoption of the FATF Recommendations, both in terms of regulatory approach as well as technical implementation and particularly in light of the consultation on the Guidance; and

● Request that, following the review at the June 2021 Plenary, the FATF agrees to an on-going program of discussions with industry and supervisors in light of:

   a. The proposed updates to the Guidance, which will be vital to ensure implementation by industry and supervisors across centralised, decentralised, and peer-to-peer ecosystems.
   b. The implementation of the Travel Rule, and remaining challenges to wide-scale adoption where further activity and collaboration is required between industry and supervisors in the 2021/2022 period.

The three industry bodies remain at the disposal of the FATF to discuss how an enhanced dialogue may operate to the mutual benefit of supervisors and the industry to maintain the momentum towards adoption that has been achieved since June 2019 and throughout 2020.