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Malta Financial Services Authority Partners with Ciphertrace for Virtual Asset Business Compliance

- MFSA implements Cryptocurrency Intelligence to regulate virtual asset businesses licensed in Malta
- This Supervisory Technology Tool will enable MFSA to better identify fraud and prevent money laundering and funding of terrorism
- In line with its mission, MFSA keeps investing in technology systems to protect consumers and investors

The Malta Financial Services Authority ('MFSA') is partnering up with CipherTrace Compliance Monitoring to monitor and manage business risks related to Malta licensed virtual asset businesses and cryptocurrencies. The CipherTrace Compliance Monitoring solution continuously rates the risks of cryptocurrency businesses to protect consumers, investors and business partners.

CipherTrace is an effective Supervisory Technology ('SupTech') tool which, through the cryptocurrency anti-money laundering, cryptocurrency forensics, and blockchain threat intelligence solutions it offers, will enable MFSA to manage the risk associated with virtual asset businesses. "Being strongly aware of the money laundering and financing of terrorism risks associated with entities operating in this sphere, the decision has been taken to engage the services of CipherTrace in order to reduce fraud and detect transactions with illegal sources of funds. CipherTrace Compliance Monitoring will provide the MFSA with powerful oversight tools to automate regulatory processes and audit the risk management of virtual asset businesses that are licensed in Malta," said MFSA Chief Executive Officer, Joseph Cuschieri.

CipherTrace Compliance Monitoring uses machine learning to de-anonymize transactions, which helps regulators evaluate and monitor the trustworthiness of virtual asset businesses. This solution tracks the risk exposure of virtual asset businesses including cryptocurrency exchanges, collective investment schemes and initial coin offerings (ICOs) to gauge and measure potential exposure. "This SupTech will allow the MFSA to monitor the activities of crypto businesses both pre- as well as post-authorisation stage," said Dave Jevans, CEO CipherTrace.

"Cryptocurrency businesses often have difficulty establishing trust and maintaining banking relationships because of their perceived risk. Banks and other financial institutions use the CipherTrace Compliance Monitoring solution to help decide which virtual asset businesses to trust as corporate customers. These insights help banks avoid de-risking by turning away valuable customers in this lucrative and fast growing sector," said Dave Jevans, CEO CipherTrace.

CipherTrace helps assure the trustworthiness of virtual asset market participants worldwide, and through its Compliance Monitoring solution delivers a broad, high-resolution view of the cryptocurrency transaction landscape.

CipherTrace machine learning algorithms calculate risk levels for exchanges, addresses, wallets and other entities based on known associations, criminal addresses, and money laundering services. CipherTrace also profiles hundreds of global exchanges, dark markets, mixers, gambling services, high-yield investment products, and ATMs to determine risk levels of transactions based on activity related to suspicious addresses and wallets.

About CipherTrace

CipherTrace develops cryptocurrency Anti-Money Laundering, cryptocurrency forensics, and blockchain threat intelligence solutions. Leading exchanges, banks, investigators, regulators and digital asset businesses use CipherTrace to trace transaction flows and comply with regulatory anti-money laundering requirements, fostering trust in the cryptocurrency economy. Its quarterly CipherTrace Cryptocurrency Anti-Money Laundering Report has become an authoritative industry data source. CipherTrace was founded in 2015 by experienced Silicon Valley entrepreneurs with deep expertise in cybersecurity, eCrime, payments, banking, encryption, and virtual currencies. The U.S. Department of Homeland Security Science and Technology (S&T) and DARPA initially funded CipherTrace, and it is backed by leading Silicon Valley venture capital investors. Visit www.ciphertrace.com for more information or follow the company on Twitter: @CipherTrace and LinkedIn: /company/CipherTrace



@MFSA Partners with @CipherTrace for Virtual Asset Business Compliance

About MFSA

The Malta Financial Services Authority (MFSA) is the single regulator of financial services in Malta, covering banks, insurance companies, investment services, trusts and pensions. As of last year, the MFSA became the first European regulator to develop a framework to regulate virtual financial assets. The MFSA's mission, as enshrined in its Vision 2021, is to enhance its position as an independent, proactive and trustworthy supervisory authority with the main purpose of safeguarding the integrity of markets and maintaining stability within the financial sector, for the benefit and protection of consumers. Over 2,300 entities are licensed by the MFSA to operate in the financial services sector, which makes up 11% of the Maltese Gross Domestic Product.