



**GOVERNMENT**  
OF THE PRINCIPALITY OF LIECHTENSTEIN  
MINISTRY FOR GENERAL GOVERNMENT  
AFFAIRS AND FINANCE

## **Address by Prime Minister Adrian Hasler**

on the occasion of

the opening of the LCX

16 August 2018

Vaduz

**– the spoken word takes precedence –**

Ladies and Gentlemen,

I welcome you all most warmly in the name of the Liechtenstein Government. I am delighted that you have made your way to Liechtenstein to attend the launch of the LCX Crypto Exchange.

In my view, it is a very positive sign that this event is taking place in Liechtenstein and that LCX has chosen to locate in Liechtenstein. This is important not just for the Liechtenstein blockchain ecosystem and financial centre. For many residents, even if they are not personally involved in this new technology, it is becoming increasingly apparent that blockchain developments are not simply castles in the air built by IT specialists, but are instead becoming reality.

In recent years, Liechtenstein has developed a remarkable blockchain ecosystem, with many innovative entrepreneurs and consultants. All those who are involved in this field are firmly convinced that this development not only exists, but is unstoppable.

Blockchain technology has the potential to establish a new foundation for economic services, in particular including for financial services. This will make it the driver of major wave of innovation, of which today only the beginnings are apparent.

It will not stop at cryptocurrencies. Instead, blockchain can be used to represent assets and – in abstract terms – all types of rights in a digitally unique and forgery-proof manner. This will make it the basis for the so-called “token economy” in which almost all goods, rights and economic services are represented.

For this “token economy” to work, legal certainty is needed for clients and service providers. Service providers need legal certainty to enable them to plan their business operations. At the same time, to make the most of the potential, you also need the trust of your clients in the services. As you will certainly be aware, these are precisely the objectives of the planned new Liechtenstein Blockchain Act.

With this law we are determined to create an optimal basis for the positive development of the token economy.

I am all the more pleased that the LCX sees the planned Blockchain Act as a further locational advantage for Liechtenstein, and that this was one reason it has set up its operations in Liechtenstein. This shows that you prefer to subject yourself to government rules in order to offer customers greater legal certainty, than in a kind of "Wild West" without state rules.

Our proposed legislation is predestined for crypto exchanges: Legal issues relating to the ownership and possession of tokens or cryptocurrencies, the requirements for the safekeeping of private keys or tokens by the exchange, bankruptcy regulations and much more have been clarified in the law and are intended to help strengthen the trust of clients.

Even if the Blockchain Act is an important component of the token economy in Liechtenstein: the world will continue changing. New applications will raise new questions, and new technology may also arise.

From the perspective of the State of Liechtenstein, as well as from the perspective of enterprises, the country's innovative strength is therefore crucial. Against this background and during the days to come, a period when companies are under great pressure to be innovative, the state also needs to be innovative.

I launched the "Impulse Liechtenstein" programme about 4 years ago with the aim of boosting the innovative strength of the Liechtenstein financial centre. Even then, it was already clear that technology and digitisation would have a dynamic impact on the development of the financial system and business models.

For this reason, we introduced a state-organised innovation process. This innovation process is designed to ensure that operating conditions for companies in Liechtenstein can develop rapidly along with the technology. For this reason, the innovation process also draws upon the "crowd sourcing" principle. Any innovative individual can put their ideas forward.

In the interim, the FMA's Regulatory Laboratory has also become a key part of this innovation process, supporting innovative companies in connection with licensing issues.

Ladies and Gentlemen,

I am often asked if I want to establish Liechtenstein as a crypto country. But that is not my primary objective. My vision is to ensure that prosperity and attractive employment opportunities are preserved in Liechtenstein, even 50 years in the future. This means the state needs to keep up with companies and the pace of innovation, and needs to offer optimum operation conditions for entrepreneurial activities.

Blockchain and the token economy will greatly influence the global economy. Fortunately, we are part of this development and can give impetus to the direction in which it could go.

Dear LCX Team: I wish you every success with your project!