



September 29<sup>th</sup>, 2017

Press Release

bitFlyer, Inc.

## Notification of Virtual Currency Exchange Registration

Japan's largest<sup>1</sup> bitcoin and blockchain company, bitFlyer, Inc. (“bitFlyer”, HQ: Minato-ku, Tokyo; CEO: Yuzo Kano), announced its official recognition by the Japan Financial Services Agency (FSA) as a registered virtual currency exchange<sup>2 3</sup>.

bitFlyer was founded in January 2014 and launched its virtual currency exchange services in April of the same year. In just four years, alongside the rapid growth in the virtual currency market, bitFlyer has grown to over 800,000 users and a monthly trading volume of over 1.5 trillion yen.

As the number of players in the virtual currency industry grows, so do cases of related fraud and abuse. bitFlyer looks forward to a market that ensures increased customer protection through asset segregation, and a registration program under the FSA that requires KYC and auditing.

As a licensed financial institution, bitFlyer works hard to provide safe and secure services to its customers. bitFlyer continues to contribute to the further growth of the industry as the leader in virtual currency and blockchain technology in Japan.

### Virtual Currency Exchange Registration Overview

Jurisdiction	Kanto Local Finance Bureau
Registration No.	Kanto Local Finance Bureau No. 00003
Date of Registration	September 29 <sup>th</sup> , 2017
Exchange Name	bitFlyer, Inc.
Corporate Registration No.	2011101068824
Postal Code	107-0052
Address	Tokyo, Minato-ku, Akasaka 3-5-5
Phone Number	03-6425-5523
Handled Virtual Currencies	BTC (Bitcoin), ETH (Ether), ETC (Ether Classic), LTC (Litecoin), BCH (Bitcoin Cash)

## **About Virtual Currency Exchange Registration**

The registration of virtual currency exchanges was implemented as of April 1, 2017, in accordance to a revision to the Payment Services Act. As a result, only exchanges registered with the FSA are permitted to conduct the exchange of virtual currency in Japan (with a 6-month grace period for registration since the act came into effect). bitFlyer completed its application for registration in May of this year and was officially registered on September 29<sup>th</sup>, 2017 following an extensive examination process<sup>4</sup>.

<sup>1</sup> bitFlyer recorded the largest monthly transaction volume, number of customers, and capital in Japan. (As of the end of February 2017 based on research by Seed Planning (February 2017 Digital Currency Exchange Bitcoin Transaction Volume Research) and bitFlyer.)

<sup>2</sup> A Virtual Currency Exchange is defined as an entity that conducts any of the following businesses (according to the Payment Services Act, Article 2, Section 7)

- a. The sale and/or exchange of virtual currency
- b. Intermediation/brokerage of virtual currency
- c. Management of users' financials or virtual currency in relation to a. and/or b. above

<sup>3</sup> Authority over affairs relating to virtual currency exchanges has been granted to the FSA and the Local Finance Bureau by the Prime Minister through the Payment Services Act and related ordinances. Furthermore, virtual currency exchanges that are unregistered or obtained registration through illegal methods will be subject to up to a 3-year sentence and/or a 3 million yen fine (Payment Services Act, Article 107, Sections 2 and 5).

<sup>4</sup> Sufficient levels of User Protection, Segregation of User Assets/Funds, System Risk Management, and Data Security are among the requirements for registration as a virtual currency exchange.

## **List of Registered Virtual Currency Exchanges (link in Japanese)**

<http://www.fsa.go.jp/menkyo/menkyoj/kasoutuka.pdf>

## **About Virtual Currency Law (links in Japanese)**

- Payment Services Act (P. 106)

<http://www.fsa.go.jp/common/diet/190/01/shinkyuu.pdf>

- Cabinet Office Ordinance on Virtual Currency Exchanges

<http://www.fsa.go.jp/news/28/ginkou/20170324-1/04.pdf>

- Guidelines (Virtual Currency Exchanges)

<http://www.fsa.go.jp/news/28/ginkou/20170324-1/19.pdf>

## About Us

bitFlyer is the largest virtual currency and blockchain company in Japan, having received investments from SMBC Venture Capital, Mizuho Capital, Dai-ichi Life Insurance, Mitsubishi UFJ Capital, Mitsui Sumitomo Insurance Venture Capital, Recruit Strategic Partners, Dentsu Digital Holdings, SBI Investment, GMO VenturePartners, QUICK, and Venture Labo Investment, among others. We aim to revolutionize the FinTech sector using blockchain technology -- our work includes operation of the bitFlyer integrated virtual currency platform, in-depth blockchain research, and the R&D of our original blockchain *miyabi*.

Corporate website: <https://bitflyer.jp/>

bitFlyer intro video: <https://youtu.be/TzpdOEOvc-w>

Features of blockchain *miyabi*: <https://bitflyer.jp/miyabi>

Blockchain *miyabi* intro video: <https://www.youtube.com/watch?v=8fqhfAazSfc>

### Contact Information

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