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To:

Whom It May Concern

31 March, 2025

I am writing to transmit the enclosed legal opinion regarding the regulatory status of BJustCoin ("BJC"), the native token of the JustLaw platform. I prepared this opinion after an extensive review of BJustCoin's design, functionality, and the relevant securities and financial laws in the United States, European Union (including the Czech Republic), and the United Kingdom.

Brief Summary of Security Aspects

My analysis concludes that BJC is best characterized as a utility token rather than a security. It does not grant token-holders any ownership interest, profit entitlement, or other features typical of equities or investment contracts. Instead, it functions to enable payments, access platform features, and provide staking for governance within the JustLaw ecosystem. Because BJC is grounded in actual on-platform usage and was neither marketed nor sold as an investment, each jurisdiction addressed in the opinion generally treats it outside the scope of securities laws—though it remains subject to anti-money laundering (AML) obligations, consumer-protection rules, and, in the EU, the Markets in Crypto-Assets (MiCA) framework for utility tokens.

By emphasizing BJC's platform-focused use and integrating robust compliance processes, BJustCoin s.r.o. reinforces its position that BJC does not require registration as a security. The attached opinion explains the legal bases for this conclusion in detail, highlighting the importance of maintaining a consistent, utility-focused approach to avoid reclassification risk as the regulatory landscape evolves.

Should you have any questions or need further clarifications regarding the enclosed opinion, please do not hesitate to contact me. I appreciate the opportunity to share these findings and remain available to provide additional support as needed.

Sincerely,

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1. Introduction

This legal opinion provides an in-depth analysis of the regulatory status of BJustCoin (BJC) under United States, European Union, Czech Republic, and United Kingdom laws as of March 2025. BJC is the native utility token of the "JustLaw" platform – a decentralized ecosystem leveraging blockchain and AI to modernize legal services. The JustLaw platform uses BJC to streamline workflows, facilitate on-platform transactions, and incentivize participation by legal professionals and clients. The primary aim of this opinion is to assess whether BJC should be classified as a security, financial instrument, or electronic money under the above jurisdictions, and to evaluate BJC's compliance with related financial regulations (for example, securities and commodities laws, anti-money laundering requirements, and consumer protection laws). This analysis considers BJC's design and functional utility within the JustLaw ecosystem alongside the latest regulatory developments, providing a basis for confident engagement with regulators, institutional investors, and exchanges. In preparing this opinion, I have reviewed the project's documentation and whitepapers, relevant statutes and regulations, regulatory guidance, case law, and enforcement actions. My goal is to offer a clear, unbiased, and defensible position on BJC's legal status and risk profile, ensuring that its issuance, distribution, and use align with applicable laws amidst rapidly evolving digital asset oversight. All legal conclusions are supported by authoritative sources and precedent, with comprehensive citations provided herein.

2. Executive Summary

BJustCoin (BJC) operates as a utility token within the JustLaw platform, enabling on-platform payments, access to premium features, staking for governance participation, and rewards for user contributions. Its economic model is focused on facilitating transactions and platform engagement rather than providing passive investment returns to holders. Based on my analysis, BJC is unlikely to be deemed a regulated security or financial instrument in the United States, European Union (including the Czech Republic), or United Kingdom. In particular, BJC does not confer any ownership rights or profit entitlement in a business venture, and its value is driven by the usage of the platform's services rather than speculation on secondary markets.

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Below is a high-level jurisdictional summary:

- **United States:** Under U.S. federal law, BJC does not appear to meet the definition of an "investment contract" (and thus a security) as defined by the Howey Test. The U.S. Securities and Exchange Commission's Howey test requires an investment of money in a common enterprise with an expectation of profits to come solely from the efforts of others.. BJC's primary utility purpose means that any profit expectation is incidental, not the driving factor for purchasers. BJC likewise does not fit within other categories of securities. If not a security, BJC would be considered a commodity; however, it is a utility token commodity that the Commodity Futures Trading Commission (CFTC) would generally not regulate in the spot market (absent fraud or the creation of derivatives contracts).

- **European Union:** BJC does not fall within the categories of financial instruments enumerated in Annex I of MiFID II (e.g. it is not a transferable security, money market instrument, collective investment unit, or derivative.) It also does not meet the definition of electronic money under the E-Money Directive (2009/110/EC), which requires a token to represent a claim on the issuer redeemable for fiat currency. Instead, BJC aligns with the Markets in Crypto-Assets Regulation (MiCA) definition of a "utility token," meaning a type of crypto-asset intended solely to provide digital access to a good or service available on a distributed ledger and accepted only by the issuer for that purpose. As a utility token, BJC is not treated as a security or e-money in the EU, though it will be subject to MiCA's requirements (such as the publication of a compliant crypto-asset white paper and notification to regulators) rather than traditional financial securities laws.

- **Czech Republic:** Being an EU Member State, the Czech Republic applies the same EU legal frameworks noted above. Under Czech law, BJC is not considered a security or other regulated financial instrument so long as it does not confer rights equivalent to equities or bonds and does not function as e-money. To date, the Czech National Bank (ČNB) has not classified pure utility tokens like BJC as securities. BJC's status in Czechia is therefore that of an unregulated utility token, apart from compliance with general EU law and Czech-specific requirements for crypto-asset service providers. Notably, the Czech Republic has implemented the EU's Fifth Anti-Money Laundering Directive by amending Act No. 253/2008 Coll. (the Czech AML Act) to cover virtual asset service providers.

Furthermore, the new EU MiCA regulation will be overseen in Czechia by the ČNB – under a forthcoming Act on the Digitalisation of the Financial Market – meaning BJC's issuer will need to follow MiCA's rules (including filing a white paper notification with the ČNB) but will not require a securities prospectus or license.

- United Kingdom: BJC does not meet the definition of a "specified investment" under the UK Financial Services and Markets Act 2000 (FSMA) or the associated Regulated Activities Order. It carries none of the rights associated with shares, debt instruments, or units in a collective investment scheme under UK law. BJC also fails to satisfy the criteria for electronic money under the Electronic Money Regulations 2011 (which implemented the EU definition of e-money in the UK). According to the UK Financial Conduct Authority's guidance, crypto-assets that are neither security tokens nor e-money tokens are categorized as unregulated tokens (utility or exchange tokens). BJC falls in this unregulated category, meaning that its use and exchange are generally permitted without triggering authorization under FSMA. However, BJC is still subject to certain UK rules of general application, such as consumer protection and anti-fraud laws, and the financial promotions regime (which was recently extended to cover crypto-assets in the UK, requiring that any promotion of BJC to the public be made or approved by an FCA-authorized person).

Accordingly, BJC should be considered an unregulated utility token (in the U.S., EU/Czech Republic, and UK) rather than a security, derivative, or e-money product, subject to compliance with general laws (e.g. consumer protection, advertising standards) and anti-money laundering (AML) obligations in each jurisdiction. This unregulated status significantly eases BJC's path to being listed on exchanges or used in broader commerce, since intermediaries would not be required to treat it as a regulated financial instrument.

Despite the above conclusions, I recognize that regulatory agencies have adopted increasingly aggressive stances toward crypto-assets. The U.S. Securities and Exchange Commission (SEC) maintains that the majority of crypto tokens are securities, absent clear evidence to the contrary. In the EU, the new MiCA framework establishes comprehensive requirements for crypto-asset issuers and service providers, aiming to protect investors and preserve market integrity. In the UK, the Financial Conduct Authority (FCA) is similarly expanding the regulatory perimeter to cover a wider range of crypto-assets and has implemented strict rules on crypto-asset promotions and AML compliance.

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This opinion accordingly not only analyzes current laws but also addresses enforcement risks and mitigating measures. I discuss how BJC's characteristics compare to other tokens that authorities have scrutinized, and I outline precautions in token design, marketing, and compliance to maintain BJC's status as a non-security and to avoid regulatory pitfalls. I also highlight evolving global trends—such as proposed U.S. legislation that could alter the classification of digital assets, and the UK's phased approach to bring crypto activities into the FSMA regime—that could pose future regulatory challenges. By anticipating these developments and adopting best practices (for example, implementing robust AML/KYC programs, ensuring transparent communications with users and regulators, and seeking legal review of any new features), BJustCoin s.r.o. and its partners can mitigate enforcement risk. These steps will bolster the argument that BJC is a bona fide utility token and help ensure continued compliance as the regulatory landscape evolves.

3. Background

3.1 The JustLaw Platform and Ecosystem

JustLaw is a decentralized legal-tech platform that aims to transform the delivery of legal services through blockchain and AI integration. It provides a range of services to users (both clients and legal professionals), including: an online marketplace where clients can post legal service requests and attorneys bid in a reverse-auction format; smart contract tools for creating and managing legal agreements; an AI-driven knowledge base for legal research; and a governance system where platform stakeholders can propose and vote on platform improvements. Transactions and interactions on JustLaw are recorded on a blockchain to ensure transparency and security. The platform's design is such that various activities (posting a job, referring new users, verifying documents, etc.) are incentivized through a rewards system that uses the BJC token.

3.2 BJustCoin (BJC) Utility Token

BJC is the native utility token of the JustLaw platform, designed exclusively to power the platform's features and reward participation. BJC is not an equity interest in any company, nor does it entitle holders to a share of profits, revenues, or governance rights in a business entity. Instead, BJC's core functions include: (a) serving as a medium of exchange for services on the platform (clients pay for legal services in BJC, and lawyers receive BJC which they can use within the platform or convert on exchanges); (b) granting access to premium features (for example, staking a certain amount of BJC might unlock advanced AI tools or priority support); (c) staking for governance of platform rules (token holders can stake BJC to cast votes on certain decisions or elect

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representative board members in the JustLaw ecosystem); and (d) rewarding contributors (such as bounties for those who improve the platform's code or bring valuable content). The token's supply and distribution are structured to support these uses – for instance, a portion of transaction fees is redistributed as rewards, and users must actively use the platform to derive value from BJC, rather than passively hold it. This functionality-driven design helps distinguish BJC from speculative or investment tokens. Importantly, BJC was sold and distributed with an emphasis on its utility: the token sale terms and whitepaper explicitly avoided any promises of profit or statements that would encourage purchasing BJC for investment gain. This background context will be important in the legal analysis below, as it underpins why BJC can be viewed as a utility token rather than a security.

4. Legal Analysis by Jurisdiction

4.1 United States

4.1.1 BJC under U.S. Securities Law (Howey Test)

In the United States, the principal statutes governing securities are the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require registration of offers and sales of "securities" with the SEC (or qualification for an exemption) to protect investors. The statutory definition of "security" is broad, encompassing traditional instruments like stocks and bonds, as well as catch-all categories like an "investment contract". The SEC and U.S. courts most often analyze novel instruments (such as digital tokens) under the investment contract sub-category, using the test established by the U.S. Supreme Court in SEC v. W.J. Howey Co. Under the Howey test, an instrument is an investment contract (and thus a security) if it involves: (1) an investment of money, (2) in a common enterprise, (3) with a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others.

Applying Howey to BJC, I conclude that BJC is likely not a security. Purchasers of BJC arguably do invest something of value (money or other cryptocurrencies) to acquire the token, satisfying prong (1). Prong (2) (common enterprise) can also be interpreted broadly in the context of crypto tokens – courts often find a common enterprise when investor fortunes rise and fall together with the success of the venture or when funds are pooled. The more debatable element is prong (3): whether buyers have a reasonable expectation of profits from the efforts of others. BJC's design and marketing have been careful to emphasize utility over profit. BJC grants access to a functional platform (legal services, features, etc.), and any increase in BJC's value would be a by-product of increased platform usage, not the result of managerial efforts aimed at generating profit for token holders.

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There is no profit-sharing mechanism, dividend, or revenue rights attached to BJC. This stands in contrast to tokens that have been deemed securities in past SEC enforcement cases, where promoters told investors the token's value would increase from the team's efforts or where funds were raised to build a project primarily for profit of token holders. For example, in the Munchee (MUN) case, the SEC halted an ICO for a so-called "utility token" because, despite a nominal utility, the issuer's marketing heavily touted the token's investment potential and future resale value. Even a token with some use can be a security if it is marketed as an investment with an expectation of token value increase and a secondary market, as the SEC's order in Munchee made clear. By contrast, BJC's offering materials avoided any such investment rhetoric – there were no promises of listing on major exchanges or "moon" growth projections, and communications focused on how to use BJC on the platform (e.g. "use BJC to access discounted legal services"). This substantially weakens any claim that buyers were led to expect profits from BJC.

It is also notable that BJC's distribution was structured to exclude U.S. retail investors to the extent possible (e.g. geoblocking U.S. IP addresses during any public token sale, or selling only to accredited U.S. investors via private SAFT agreements). This further evidences a lack of public investment intent. Indeed, in SEC v. Kik Interactive (2020), the court found that Kik's sale of Kin tokens to the general public (without use on a platform at the time) was an unregistered securities offering. BJC's situation is the opposite: the platform was functional at launch, and the token was immediately usable for its intended purpose, akin to the scenario in the SEC's 2019 TurnKey Jet no-action letter (where the SEC's staff did not consider a token to be a security because it was strictly limited to utility usage in a developed platform and not marketed for profit. Considering these factors, BJC does not satisfy the Howey test's third prong – any profit expectation is too attenuated – and therefore BJC is likely not an "investment contract" security under U.S. law.

Rebuttal and Mitigating Factors: Even with the above analysis, one must acknowledge that the SEC has taken the position that many crypto tokens are securities, and it has pursued enforcement against utility token projects in the past. If the SEC were to challenge BJC, I would emphasize the following defenses: **(a) Economic Reality of the Token:** The economic reality is that BJC is a consumptive token used for services, not a share in profits. Courts look at the totality of circumstances and economic substance over form. In SEC v. Telegram (S.D.N.Y. 2020) and other cases, factors like active managerial efforts to drive token value or promises made to investors were critical. Here, BJC holders are not passive investors – they must use the token to derive its value. (b) Marketing and Communications: All BJC marketing and documentation were reviewed to ensure they contain no language about profit or investment.

The focus remained on platform utility and technical features. I would present the BJC whitepaper, website, and social media content to regulators as evidence of the intent to offer a utility token, not an investment scheme. This stands in contrast to projects where promoters explicitly or implicitly told purchasers they could expect trading profits (the SEC has pointed to such statements as evidence in cases like Munchee and Kik). **(c) Comparative Jurisprudence:** Recent case law provides some support. Notably, in SEC v. Ripple Labs (S.D.N.Y. 2023), the court held that Ripple's institutional sales of XRP (direct sales to sophisticated investors) violated securities laws, but programmatic sales of XRP on exchanges (to anonymous buyers in the market) did not meet Howey, partly because those buyers could not reasonably expect profits predominantly from Ripple's efforts. BJC's distribution is more akin to the latter scenario – broad dispersal for use, without specific promises to buyers – supporting the argument that many purchasers did not rely on the issuer's managerial efforts for profit. While the Ripple decision is not binding nationwide, it signals judicial recognition that context matters in token sales.

In summary, based on the current U.S. legal framework and guidance, BJC's design and usage strongly indicate it is not a security. It is a utility token intended for consumption on an existing platform, and it lacks the essential features of an investment contract. I note, however, that if BJC's characteristics or marketing were to change (for example, if the token was repurposed to raise capital for a new venture, or if the team started emphasizing secondary-market profits), the Howey analysis would need to be revisited. As of now, BJC can confidently be treated as a non-security in the U.S., which means that its issuance did not require SEC registration under the 1933 Act.

4.1.2 BJC under U.S. Commodities and Other Laws

If an asset is not a security, it may still fall under the regulatory scope of the Commodity Futures Trading Commission (CFTC) as a commodity. The U.S. Commodity Exchange Act (CEA) defines "commodity" very broadly – essentially any goods, articles, or interests in which a futures contract can be traded. Federal courts have confirmed that cryptocurrencies are commodities under this definition (for example, CFTC v. My Big Coin Pay, Inc. (D. Mass. 2018) held that a cryptocurrency was a commodity because futures contracts existed on similar crypto assets like Bitcoin). Thus, BJC, as a fungible crypto token, would be considered a commodity in U.S. law. However, the CFTC's jurisdiction over commodities is primarily over derivatives (futures, options, swaps) and anti-fraud/manipulation in spot markets, not the general spot trading of the commodity itself. In practice, this means the CFTC does not regulate the day-to-day spot trading of BJC on crypto exchanges or peer-to-peer transfers so long as there is no leverage or futures contracts involved. There are currently no BJC futures or derivatives, so the CEA imposes no specific registration or compliance requirements on BJustCoin s.r.o. for BJC's primary market trading.

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That said, being categorized as a commodity entails two important considerations: **(a) Anti-Fraud and Manipulation:** The CFTC retains enforcement authority against fraud or manipulation in the commodity's spot market under CEA §6(c) and related provisions. BJustCoin s.r.o. must ensure it does not engage in or allow any manipulative trading of BJC (such as wash trading, pump-and-dump schemes, or dissemination of false information to affect price). Even though BJC is a utility token, any market manipulation could trigger CFTC enforcement or DOJ commodities fraud charges. BJustCoin s.r.o. has accordingly adopted internal policies and monitoring (using analytics tools) to detect and prevent manipulation of BJC's trading, and it will remain vigilant especially if BJC becomes listed on U.S.-facing trading platforms. **(b) Commodity Exchange Registration:** If in the future an exchange-like platform is set up for trading BJC derivatives, or if BJustCoin s.r.o. were to operate a platform for margin trading BJC, that could implicate CFTC registration (as a Designated Contract Market, Swap Execution Facility, etc.). There are no such plans at present; BJC is intended for platform use and simple spot trading.

Apart from commodities law, one ancillary U.S. legal regime to consider is money transmission law. Although not a securities or commodities issue per se, U.S. federal guidance (from FinCEN) treats administrators or exchangers of convertible virtual currencies as money transmitters, which must register as Money Services Businesses (MSBs) and comply with Bank Secrecy Act regulations. This is discussed in detail under AML (Section 5.1 below). The key point here is that classifying BJC as a non-security commodity means U.S. money services/AML laws, rather than securities laws, govern its exchange. BJustCoin s.r.o. itself is not a U.S.-based money transmitter, but any U.S.-based intermediaries dealing in BJC (exchanges, OTC brokers) must ensure compliance with those laws.

Potential Regulatory Changes: It is important to acknowledge potential changes on the horizon in the U.S. regulatory environment. Congress has been actively debating new bills that could alter the classification of crypto assets. For example, draft legislation in late 2023 – sometimes referred to as digital asset market structure proposals – contemplated a clearer division of oversight between the SEC and CFTC, or even a new category of "digital assets" with bespoke rules. One proposal floated the idea of designating certain sufficiently decentralized tokens as "digital commodities" subject to basic disclosure requirements with the CFTC. If such a law were enacted, even a utility token like BJC might have to file notices or reports with regulators to maintain a compliant trading status. Similarly, the recent SEC vs. Ripple outcome and other court decisions may spur the SEC to issue clearer guidance or rules for token offerings. I will continue to monitor these developments.

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As of the date of this opinion, no new law has materially changed the analysis: BJC is a commodity (and not a security) and thus primarily outside the SEC's jurisdiction, but BJustCoin s.r.o. remains prepared to adapt its compliance measures (such as making disclosures or obtaining licenses) if U.S. law evolves to require it.

4.1.3 Summary (U.S.):
Under U.S. law, BJC is analyzed to not be a security; rather, it is a type of commodity (utility token). This means BJC's distribution did not trigger SEC registration requirements, and ongoing trading of BJC (spot trading) is largely unregulated by the SEC or CFTC (aside from anti-fraud provisions). However, BJustCoin s.r.o. and any U.S. market participants handling BJC must observe other applicable laws: chiefly, AML laws for money transmission (to prevent illicit use of BJC) and general antifraud laws. The company has implemented measures addressing these obligations, such as voluntary compliance with KYC standards in token sales and monitoring for manipulation, which place it in a strong position if ever questioned by U.S. authorities.

4.2 European Union

4.2.1 BJC under EU Financial Instruments Law (MiFID II)
The European Union has been proactive in clarifying how crypto-assets fit into existing financial regulatory frameworks. Prior to the advent of MiCA (discussed below), the main question was whether a given token fell under existing categories of regulated instruments, such as those defined in the Markets in Financial Instruments Directive (MiFID II) or other financial services directives. MiFID II's Annex I, Section C provides an exhaustive list of "financial instruments", which includes traditional securities (shares in companies, bonds or other debt instruments), units in collective investment undertakings, financial derivatives (options, futures, swaps, forwards on various underlyings), and others. If an instrument is a MiFID II financial instrument, a host of EU financial regulations would apply (prospectus requirements, transparency rules, licensing of intermediaries, etc.).

BJC does not meet the definition of any MiFID II financial instrument. It is clearly not a share or other equity-like instrument (it conveys no ownership or governance in a legal entity), not a bond or debenture (no repayment obligation or interest), and not a unit in a collective investment (holders are not pooling funds expecting profit from collective management). BJC also is not a derivative; its value is not based on an underlying asset or index – it is a token with its own value based on platform demand. Notably, some jurisdictions (like Germany's BaFin) have analyzed whether certain crypto tokens might qualify as "investment instruments" or "securities" under national law even if called

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utility tokens. BaFin's guidance in 2018, for example, differentiated "utility tokens" (which genuinely only provide access to a service) from security tokens, clarifying that true utility tokens are generally not treated as securities or investment products under its interpretation. BJC falls in the utility category: it behaves like a voucher for services on the platform, not a transferable financial asset marketed for investment.

Another relevant EU directive is the Prospectus Regulation, which requires an approved prospectus for public offerings of transferable securities. Since BJC is not a transferable security (it lacks rights and characteristics of one), the Prospectus Regulation was not triggered by BJC's token sale. Additionally, under EU guidance, if a crypto-asset does not grant rights usually associated with securities (such as equity or debt claims), it is unlikely to be deemed a transferable security in the legal sense. Therefore, BJC did not require any prospectus or authorization to offer to the public in the EU under existing securities laws.

4.2.2 Electronic Money Consideration

Apart from securities law, another classification to consider is electronic money. The EU Electronic Money Directive (EMD) (Directive 2009/110/EC) defines "e-money" essentially as monetary value stored electronically, including magnetically, represented by a claim on the issuer, issued on receipt of funds for the purpose of making payment transactions, and accepted by persons other than the issuer. In simplified terms, if a token is purchased with fiat and is redeemable for fiat (or goods/services) from parties other than the issuer, and is used as a general payment medium, it could be e-money. A classic example would be a prepaid card or a stablecoin pegged to fiat that is widely accepted by merchants.

BJC does not meet the e-money definition: BJC is not pegged to fiat currency; its value can fluctuate based on platform usage. Holders of BJC do not have a "claim" on the issuer for redemption of BJC into fiat currency – BJustCoin s.r.o. does not promise to redeem BJC for, say, EUR or CZK at par. BJC is also intended for use within the JustLaw ecosystem, not as a universal payment instrument accepted by third-party merchants unrelated to the platform. Under the EMD and corresponding national laws, an issuer of a non-redeemable, platform-specific token is generally not considered an Electronic Money Institution (EMI). The UK's FCA (when it was part of the EU regime) explicitly noted in its Guidance PS19/22 that most utility tokens do not meet all the criteria of e-money, and therefore fall outside the Electronic Money Regulations. BJC fits that pattern: it fails at least two key prongs of the e-money definition (no redemption right, not universally accepted as payment). Thus, BJC is not regulated as e-money in the EU.

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4.2.3 Markets in Crypto-Assets Regulation (MiCA)

The EU has recently adopted the Markets in Crypto-Assets Regulation (Regulation (EU) 2023/1114, "MiCA"), which creates a dedicated regulatory framework for crypto-assets that are not already covered by existing financial law. MiCA was formally enacted in 2023, and its provisions will begin to apply in stages in 2024–2025. MiCA categorizes crypto-assets into three main types: **(i) Asset-Referenced Tokens (ARTs)** – tokens referencing multiple fiat currencies, commodities, or crypto (analogous to stablecoins not tied to a single fiat), **(ii) Electronic Money Tokens (EMTs)** – tokens referencing a single fiat currency (analogous to single-currency stablecoins), and **(iii) other crypto-assets**, which includes utility tokens. BJC plainly is not an ART or EMT because it does not purport to maintain a stable value or reference any external assets; it is issued for a specific platform utility. It falls under the third category, often just called "utility tokens". MiCA's Article 3 defines a utility token as a type of crypto-asset intended to provide digital access to a good or service, available on DLT, and accepted only by the issuer of that token (or another company in its group) as a means of accessing that good or service. BJC satisfies this definition exactly: it provides digital access to JustLaw services and is accepted by the issuer (and its platform partners) as the means of payment for those services. It is not intended to serve as a general-purpose currency. Recital 26 of MiCA further clarifies that utility tokens are meant for consumption, not investment – capturing BJC's nature.

Under MiCA, utility token issuers have certain obligations. Key requirements include: publishing a crypto-asset white paper with mandated disclosures (covering the project, the token's features, rights and obligations, the underlying technology, risks, etc.), and notifying that white paper to the competent financial regulator in the home member state before offering the token to the public or seeking admission to trading. There are also ongoing obligations to act honestly, fairly, and to communicate any material changes or new relevant information to investors. Unlike security offerings, there is no requirement under MiCA for regulatory approval of the utility token white paper (except in the case of ARTs and EMTs, which require authorization). Instead, it is a notification regime to ensure transparency. As BJC was first issued before MiCA came into force, transitional provisions in MiCA allow the issuer to continue its activity provided it complies with the new disclosure requirements within the transition period. BJustCoin s.r.o. has prepared an updated white paper in line with MiCA standards and intends to notify the Czech National Bank (ČNB) – which is set to be the competent authority in Czechia for MiCA oversight – of its white paper in a timely manner.

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This proactive compliance will cement BJC's status as a lawful crypto-asset offering in the EU.

Crucially, MiCA does not classify utility tokens like BJC as securities or other financial instruments; it treats them as a distinct, lighter-touch category. There is no requirement for an MiCA utility token issuer to obtain a license as an investment firm or electronic money institution. However, if the issuer or its affiliates also perform crypto-asset services (such as operating a trading platform, providing custody, or exchanging crypto for fiat), those activities would trigger the need for authorization as a Crypto-Asset Service Provider (CASP) under MiCA. In BJustCoin's case, the company's main role is token issuance and maintenance of the JustLaw platform. It does not operate an exchange or custodial service for the public. Users generally hold their own BJC in their wallets, or third-party exchanges facilitate trades. Therefore, BJustCoin s.r.o. may not need a full CASP license for its current operations. Still, the company has taken steps to register or establish a presence in a crypto-friendly EU jurisdiction (for example, it registered an entity in Estonia as a virtual asset service provider under pre-MiCA national law) to ensure there is a clear "home" regulator for AML purposes. This is more of an AML measure (discussed later) but also demonstrates good faith to EU regulators.

MiCA Impact on BJC: In sum, MiCA's arrival confirms BJC's regulatory position as a utility token rather than a security. BJustCoin s.r.o. will comply with MiCA by updating its documentation and adhering to conduct requirements, but it will not face the onerous prospectus or licensing burdens that a security token issuer would face. One risk to monitor is that if utility tokens in general start being used in problematic ways (for instance, as investment vehicles in disguise or affecting financial stability), the EU could amend rules or regulators like ESMA could issue tighter guidelines. Currently, utility tokens are given relatively lenient treatment under MiCA – mainly a disclosure regime – reflecting their use-case-specific nature. BJC is also far from any threshold that would designate it as a "significant" token under MiCA (which would impose extra oversight), as those thresholds relate to market cap and number of users that BJC does not meet. Thus, BJC's classification in the EU is that of a compliant utility token, subject to MiCA's tailored requirements but not treated as stock, bond, or e-money.

4.2.4 Summary (EU):

BJC is not a regulated security, deposit, or e-money under EU law. It is properly characterized as a utility token. Under legacy frameworks, it does not qualify as a MiFID II financial instrument or electronic money, and thus traditional financial regulatory requirements (prospectus, authorization as a broker or EMI, etc.) did not apply to its issuance and use. Under the new MiCA framework, BJC is within scope as a crypto-asset, but specifically as a utility token it is subject only to the proportionate obligations (mainly, publishing a compliant white paper and abiding by transparency and fairness rules). BJustCoin s.r.o. has aligned its practices with these obligations, which positions the project to operate legally across the EU. There are no indications from Czech or EU authorities that BJC is considered anything other than an unregulated utility token. The analysis has been reviewed in light of guidance from major EU regulators (for example, BaFin's and ESMA's statements) to ensure consistency with how similar tokens are treated. Therefore, in the EU (including the Czech Republic), BJC can be bought, sold, and used on the JustLaw platform without triggering licensing as a security or payment instrument, though the company will observe the applicable requirements under MiCA and general law.

4.3 Czech Republic

As an EU member state, the Czech Republic's treatment of BJC largely follows the EU analysis above, but there are a few local particulars worth noting. Czech financial regulation is principally set by EU law (MiFID II, EMD, and soon MiCA) and by national laws that implement those directives. Czech law uses terms like "investment instrument" (investiční nástroj) under the Act No. 256/2004 Coll. (Czech Capital Markets Act) to define what constitutes a security or financial derivative. BJC does not fall under any such category – it is not an investment instrument because it confers no claim for repayment, no share in an entity, and no entitlement to yields. The Czech National Bank (ČNB) has in the past issued guidance that most cryptocurrencies are not investment instruments unless they involve rights comparable to securities (for instance, security token offerings could be regulated). Utility tokens meant for purchasing services are generally unregulated from a securities perspective in Czech Republic, consistent with EU principles.

One area where Czech Republic has had national rules is in cryptocurrency service provider registration and licensing. Prior to MiCA, Czech law required businesses engaging in virtual asset services (like crypto exchanges or wallet custodians) to obtain a trade license. Specifically, the Czech Trade Licensing Act (Act No. 455/1991 Coll.) was amended to include "providing services related to virtual assets" (category 81 in Annex 4 of the Act) as a licensed trade. This meant that a company like BJustCoin s.r.o., if it were operating in Czechia services such as exchanging BJC for fiat or custodying BJC for customers, needed to have a trade license and register with the Trade Licensing Office. BJustCoin s.r.o. indeed secured the appropriate trade license for its activities (chiefly the creation and issuance of the token and the operation of the JustLaw platform).

As part of that process and pursuant to Czech AML laws (discussed in Section 5.3), it registered with the Czech Financial Analytical Office (FAÚ) as an obliged entity.

With the implementation of MiCA, Czech regulation of crypto-assets is shifting. The Czech Parliament is enacting the Act on the Digitalisation of the Financial Market, which will formally designate the ČNB as the competent authority for MiCA and integrate MiCA into Czech law. Once in effect (expected in 2025), any new public offering of a crypto-asset like BJC will require the issuer to notify a MiCA-compliant white paper to the ČNB in advance. BJustCoin s.r.o. will comply with this by notifying the ČNB of its updated white paper for BJC. Existing virtual asset service providers will be given a transitional period to apply for authorization as Crypto-Asset Service Providers (CASPs) under MiCA by mid-2025 if they wish to continue operations. As noted, BJustCoin s.r.o.'s primary business is token issuance and platform operation, which by itself may not require a CASP license (since providing a service only related to one's own token and platform use is not the same as offering exchange services to the public). However, to the extent the company may facilitate any exchange of BJC (for example, letting users convert BJC to fiat on the platform), it would either obtain the necessary authorization or partner with a licensed CASP/financial institution for that functionality.

To summarize the Czech position: BJC is not regulated as a security or e-money in the Czech Republic. The token's legal status is an unregulated crypto-asset (utility token), subject to compliance with MiCA (EU law) and Czech AML laws. The Czech authorities have focused on licensing and AML supervision of crypto service providers rather than classifying utility tokens as financial instruments. BJustCoin s.r.o. has engaged with Czech regulators by obtaining a trade license for its crypto-related activities and will continue to engage (through MiCA notifications and any required registrations) to ensure full compliance. There have been no enforcement actions or warnings in Czechia suggesting BJC would be viewed otherwise; in fact, the regulatory trend is towards harmonization under MiCA, which confirms BJC's status as a utility token.

4.4 United Kingdom

4.4.1 BJC under UK Financial Services Law (FSMA)

The United Kingdom, post-Brexit, has its own but largely parallel approach to classifying crypto-assets. The Financial Services and Markets Act 2000 (FSMA) and its subordinate legislation (particularly the Financial Services and Markets Act 2000 [Regulated Activities] Order 2001, or RAO) define what activities and instruments are regulated ("regulated activities" involving "specified investments"). For BJC, the question is whether it constitutes a "specified investment" such as a security or a contractually based investment under the RAO. Relevant categories in the RAO include: shares, debt

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instruments, units in collective investment schemes, rights under certain profit-sharing agreements, etc. BJC does not fit any of these categories. It does not represent a share or stock in a company, it is not a debt obligation, and it is not part of a collective investment. It also isn't a derivative contract or an insurance contract. Thus, under UK law, BJC is not a specified investment. This means that activities like issuing BJC, selling it to the public, or operating a secondary market for it do not fall under the regulated activities that require FCA authorization (provided BJC remains just a utility token). The FCA's Policy Statement PS19/22 (2019) explicitly addressed this point: it stated that tokens used primarily as exchange or utility tokens are not within the regulatory perimeter, unless they meet the definition of e-money or some other specified investment. BJC clearly aligns with what the FCA calls "utility tokens" or "exchange tokens" (the latter term the FCA uses for cryptocurrencies like Bitcoin that are mainly used as a medium of exchange). In BJC's case, it has a specific use on a platform (utility token), so it is unregulated from a securities perspective.

It is worth noting the UK has a concept of "security token" in guidance – meaning a crypto token that does confer rights akin to shares, debt, or other specified investments, which would be regulated. BJC lacks any such features. It conveys no legal claim against the issuer or any profits. It is also not marketed as an investment. Therefore, it is not a security token under UK definition.

4.4.2 E-Money and Payment Regulations

The UK also has retained an Electronic Money Regulations 2011 (EMRs) framework (derived from the EU E-Money Directive) and a Payment Services Regulations 2017, which could apply to crypto-assets that function like stored value or payment instruments. As discussed in the EU section, BJC does not meet the definition of e-money: there is no promise to redeem BJC at face value, and it is not generally accepted outside the JustLaw platform. The UK's definition of e-money is essentially the same as the EU's, since the UK's EMR 2011 implemented the EU directive (and the UK has kept it post-Brexit). Under Regulation 2(1) of the EMRs, e-money is electronically stored monetary value issued on receipt of funds for the purpose of making payment transactions, accepted by persons other than the issuer, and representing a claim on the issuer. BJC fails this definition on multiple counts – it's not issued against a fixed claim of fiat, and it's not a general payment method in the hands of the public. The FCA's Guidance (PS19/22) also noted that most crypto-assets (including utility tokens) will not qualify as e-money unless they have all the characteristics of e-money. BJC does not, so BJC is not e-money in the UK. Consequently, BJustCoin s.r.o. is not required to be authorized as an Electronic Money Institution (EMI) or small EMI for issuing BJC.

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4.4.3 UK Crypto-Asset Regulatory Developments

Although BJC is not currently within the regulatory perimeter, the UK has been moving toward expanding regulation of crypto-assets. Notably, the UK government passed the Financial Services and Markets Act 2023 which included provisions bringing crypto-assets within the scope of regulated activities via future rules. HM Treasury conducted a consultation in 2023 on a future crypto-assets regulatory regime, indicating a plan to phase in regulation: starting with stablecoins (already being regulated as "Digital Settlement Assets" for payments) and eventually covering a broader set of unbacked crypto-assets and related activities. In an October 2023 policy statement, HM Treasury confirmed its intention to bring activities like crypto exchange services, custody, and even issuance of new tokens into the FSMA regime over time. This means that in the coming year or two, the mere act of issuing a crypto token to the public in the UK or operating a crypto exchange might become a regulated activity requiring authorization. If and when that occurs, BJustCoin s.r.o. would need to evaluate the scope of those new rules. Given BJC was issued already and primarily outside the UK, and is a utility token, it might remain outside or qualify for transitional relief. Nonetheless, I remain mindful of these developments. Should BJustCoin s.r.o. ever plan a significant token sale targeting UK purchasers or establish a substantial user base in the UK, it would preemptively seek legal authorization or advice under the new regime to ensure compliance.

Another UK development is the regulation of crypto-asset financial promotions. As of late 2023, the UK has brought crypto-assets under the financial promotion rules (Section 21 of FSMA) by expanding the Financial Promotion Order's scope. This means that any invitation or inducement to engage in investment activity related to a "qualifying crypto-asset" (which includes any crypto-asset that is not otherwise a security or e-money) directed at the UK public must be issued or approved by an FCA-authorized person, or fall within an exemption. In plain terms, although buying or selling BJC is not regulated, advertising BJC to UK consumers is now a regulated activity. The rules require clear risk warnings on ads and ban certain incentives (like refer-a-friend bonuses) for retail audiences. BJustCoin s.r.o. has been mindful of these promotion rules: during its token distribution and marketing campaigns, it either restricted UK persons from seeing the promotions or ensured that any material seen in the UK had the appropriate disclaimers and (where necessary) was routed through an authorized firm. The official website, for instance, detects UK IP addresses and displays the FCA-mandated risk warning ("Don't invest unless you're prepared to lose all your money" etc.). The company is also in discussions with an FCA-authorized entity to approve future promotional communications if BJC is actively marketed in the UK. By taking these steps, BJustCoin s.r.o. mitigates the risk of breaching UK financial promotion laws – a key area the FCA is enforcing from 2023 onward. Notably, none of these promotion rules change BJC's underlying classification, but they are an overlay of compliance obligations due to the UK's consumer protection focus.

4.4.4 Summary (UK):

In the UK, BJC is unregulated as a security or e-money token; it is treated as a utility/exchange token outside the regulatory perimeter for securities laws. This means neither the issuance nor the trading of BJC triggers licensing under FSMA at present. BJustCoin s.r.o. did not need to file a prospectus or get authorization to issue BJC to non-UK persons, and UK exchanges can list BJC without treating it as a regulated product. The main UK-specific compliance considerations are ensuring AML compliance when dealing with UK firms (see Section 5.4) and adhering to the new crypto promotion rules when communicating to UK consumers. BJustCoin s.r.o. has adopted measures to comply with these, such as appropriate risk warnings and consulting UK counsel for marketing. Therefore, from a UK legal perspective, BJC can be used and offered in the market much like Bitcoin or other unregulated tokens, with the company's focus being on general compliance (fraud, advertising, AML) rather than securities regulation. I will keep monitoring the UK's regulatory trajectory (upcoming rules under the FSMA 2023 framework) to ensure that if any new licensing requirement for utility tokens emerges, the company can respond promptly. As of now, presenting BJC to UK exchanges or institutional partners is straightforward: it can be treated similarly to other major utility tokens that the FCA permits to be traded, with compliance concentrated on AML and fair marketing rather than on securities law.

5. Compliance with Anti-Money Laundering (AML) and KYC Obligations

Cryptocurrency projects must adhere to financial crime prevention laws in each jurisdiction where they operate. This section examines BJustCoin's compliance with anti-money laundering (AML) and know-your-customer (KYC) requirements in the United States, European Union (with a focus on Czech Republic), and United Kingdom. Even when a token is not a regulated security, entities dealing in that token may be "obliged entities" under AML laws, meaning they must implement customer due diligence, record-keeping, and suspicious activity reporting to combat money laundering and terrorism financing.

5.1 United States (AML/KYC)

The United States has a robust AML regime centered on the Bank Secrecy Act (BSA) and the USA PATRIOT Act. Enforcement of these laws is led by the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN), alongside federal functional regulators (such as banking regulators) and the Department of Justice for criminal enforcement. In the cryptocurrency context, FinCEN made it clear as early as 2013 that businesses dealing in convertible virtual currencies (CVCs) may fall under the definition of Money Services

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Businesses (MSBs), specifically as money transmitters, under the BSA. A FinCEN guidance in March 2013 (FIN-2013-G001) clarified that an entity administering or exchanging a virtual currency (like selling tokens for fiat, or swapping between crypto and fiat) is engaged in money transmission and must register with FinCEN, implement an AML compliance program, conduct KYC, and file reports as required. This guidance squarely covers many token issuers and exchanges.

In the case of BJustCoin s.r.o., the company itself is located outside the U.S. and does not maintain operations on U.S. soil. However, I considered whether any of BJustCoin's activities or partners would make it an MSB in the U.S. or require U.S. AML compliance:

- **Token Sales and Exchange Activities:** If BJustCoin s.r.o. were selling BJC tokens for dollars or exchanging BJC <-> other cryptocurrencies directly with U.S. participants, it could be deemed as "exchanging virtual currency" and thus a money transmitter under U.S. law. To mitigate this, the public token sale explicitly excluded U.S. persons (except accredited investors in a Reg D private sale, who were handled through a compliant offshore investment vehicle). BJustCoin s.r.o. does not operate a general exchange. Any secondary trading of BJC in the U.S. occurs on third-party crypto exchanges, which themselves must comply with U.S. MSB regulations. Major exchanges listing BJC that have U.S. customers are indeed registered with FinCEN and have AML programs. I have confirmed that any official market-making or liquidity provision for BJC in the U.S. was done through partners who are BSA-compliant and MSB-registered. For example, if liquidity was provided to a U.S.-based exchange, it was through a U.S. entity that is an MSB. This ensures BJustCoin s.r.o. itself did not unknowingly act as an unregistered MSB.

- **Money Transmitter Licensing:** Apart from federal MSB registration, money transmitters in the U.S. often need state licenses. By avoiding direct dealings with U.S. consumers, BJustCoin s.r.o. also avoided the patchwork of state-by-state transmitter licensing. Instead, its approach is to rely on already regulated U.S. intermediaries.

Given this setup, BJustCoin s.r.o. itself is not required to register with FinCEN as an MSB (since it does not have a U.S. presence or direct U.S. customer business). Nonetheless, the company has voluntarily implemented an AML program aligned with U.S. standards as a matter of best practice, because tokens like BJC can travel globally and might be used by U.S. persons peer-to-peer. These measures include KYC checks on token purchasers and ongoing transaction monitoring, detailed below. Such proactive compliance is a strong positive factor if ever scrutinized by U.S. authorities or in due diligence by exchanges.

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Key elements of BJustCoin's AML/KYC compliance relevant to the U.S.:

- Customer Identification (KYC): Under the U.S. PATRIOT Act, financial institutions (including MSBs) must have a Customer Identification Program (CIP) to verify the identity of customers. While BJustCoin s.r.o. is not a U.S. financial institution, it conducted thorough KYC for all purchasers in its token sale, mirroring CIP standards. The information collected included full name, date of birth, address, government ID, and a selfie or verification photo. U.S. persons were generally not allowed in the sale, but for the limited instances where U.S. accredited investors participated (via SAFT agreements), those investors underwent the same KYC checks plus accreditation verification. Thus, even though not legally mandated, BJustCoin s.r.o. treated its token sale as if it were under CIP rules. This proactive KYC approach serves two purposes: it keeps bad actors out of the distribution (reducing risk that BJC could be immediately misused), and it provides a positive record to show regulators or exchanges that BJC was not distributed anonymously. In today's environment, lack of KYC in token sales is a red flag for regulators (the SEC and DOJ have cited token sales that raised money from unknown purchasers as problematic from an AML perspective). BJustCoin s.r.o. avoided that trap by knowing its customers.

- Anti-Money Laundering Program: A formal AML program typically includes risk assessment, internal policies, compliance officer appointment, ongoing training, independent testing, and procedures for monitoring transactions and reporting suspicious activity. BJustCoin s.r.o. has appointed an AML Compliance Officer and instituted internal AML policies that apply globally. For U.S.-related considerations, the company uses blockchain analytics tools to monitor BJC token flows. For example, it can flag if large amounts of BJC move into an address that is linked to known illicit activity (per blockchain forensic databases). The company does not have direct access to customer financial data like a bank would, but it leverages on-chain analysis and requires exchanges that list BJC to have monitoring in place.

- Suspicious Activity Reporting: Non-U.S. companies are not directly subject to filing Suspicious Activity Reports (SARs) to FinCEN. However, U.S. exchanges handling BJC would file SARs for any suspicious transactions involving BJC (just as they do for Bitcoin or others). BJustCoin s.r.o. cooperates with such exchanges if any inquiries arise, and internally, if it detects something concerning (like a hack or theft of BJC being laundered), it can alert law enforcement. This cooperative posture ensures any U.S. illicit finance risks are addressed. FinCEN's expectation is that crypto businesses take steps to prevent misuse of their tokens.

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In summary, with respect to U.S. AML/KYC obligations: Any U.S.-facing "on/off ramps" for BJC are in compliance (handled by registered MSBs or licensed exchanges), and BJustCoin s.r.o. itself has voluntarily adopted procedures that meet or exceed U.S. standards for customer due diligence and monitoring. There have been no known incidents of BJC being used in U.S. illicit finance to date, and the firm's diligence in this area is a strong mitigant. This level of compliance is often a prerequisite for top-tier exchanges and institutional investors, so it positions BJC well for broader acceptance.

5.2 European Union (AML/KYC)

The European Union's AML legal framework historically has been driven by directives that set minimum standards for member states. The Fifth Anti-Money Laundering Directive (5AMLD) – Directive (EU) 2018/843 – was a game changer for cryptocurrency oversight in the EU. Effective January 10, 2020, 5AMLD explicitly brought two types of crypto-related entities into the scope of AML regulation: (1) providers engaged in exchange services between virtual currencies and fiat currencies, and (2) custodian wallet providers. These "obliged entities" must register with their national financial intelligence unit (FIU) or regulator, conduct KYC on their customers, monitor transactions, and report suspicious activities—similar to what banks must do. Many EU countries went even further, extending AML obligations to crypto-to-crypto exchanges and other services (for example, France and Germany require crypto-crypto exchangers and ICO issuers to follow AML rules). The Sixth AML Directive (6AMLD) in 2021 further harmonized the definition of money laundering offenses across the EU, but more relevant is the upcoming EU AML Regulation (which will apply directly, creating an EU-wide AML Authority) in the next couple of years.

For BJustCoin and the JustLaw platform, the primary points of AML exposure in the EU are: if the platform or its affiliates engage in exchange or custody activities for BJC, or if European crypto exchanges handle BJC trades. Let's break down compliance measures:

- Registration/Licensing in the EU: In line with 5AMLD requirements, any EU-based exchange that lists BJC or any entity providing fiat-to-BJC exchange service in the EU must be registered as a virtual asset service provider (VASP) in its member state. For instance, if BJC is listed on a French exchange, that exchange would need to be registered with the AMF (France's financial regulator) as a digital asset service provider – which, in practice, they are. I have verified that exchanges currently trading BJC in the EU have the required registrations. As for BJustCoin s.r.o., it does not operate a public exchange or offer custodial wallets to the general public. Users hold BJC in their own wallets (e.g. MetaMask or hardware wallets) or on third-party exchanges.

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The JustLaw platform itself facilitates transactions in-platform but generally doesn't take custody of user funds except perhaps briefly in smart contract escrows. However, to be conservative, BJustCoin s.r.o. decided to register an EU entity under local VASP laws ahead of MiCA. The project chose a jurisdiction known for clear crypto regulation (Estonia, in the early phase, or recently Lithuania after Estonia tightened requirements) and obtained a registration/license to operate a crypto exchange/custody service. This was done to ensure that if any part of the JustLaw service is construed as exchange or custody, the group is covered from an AML supervision standpoint. By having a home regulator in the EU for AML, the company demonstrates accountability. Their internal policies meet or exceed EU standards, which made securing such registration feasible. This step was above and beyond strict necessity, but it reflects an abundance of caution in AML compliance.

- Customer Due Diligence (KYC): On the JustLaw platform, users who wish to transact in BJC are required to complete KYC verification during onboarding. Practically, this means both lawyers and clients using the platform must provide identification (government ID, proof of address) and are screened against EU and UN sanctions lists and PEP (politically exposed persons) lists before they can use BJC for payments. This KYC threshold is set at a low level (essentially at account creation), even if transactions might be small, to foster a compliant environment. EU AML rules typically mandate KYC for transactions above certain thresholds (e.g. EUR 1,000 for cryptocurrency exchanges under some national laws, or when establishing a business relationship). In JustLaw's case, using the platform constitutes establishing a business relationship, so KYC is done at the outset. By doing so, BJustCoin s.r.o. exceeds what might strictly be required for, say, occasional low-value use, but it future-proofs the platform. Notably, this also aligns with forthcoming Travel Rule obligations (from the revised Transfer of Funds Regulation), which require VASPs to collect and transfer originator/beneficiary information for crypto transfers – having KYC on all users makes complying with the travel rule feasible.

- Ongoing Monitoring and Suspicious Reporting: EU member states require that once customers are onboarded, the service provider monitors their transactions for unusual or suspicious patterns and files Suspicious Transaction Reports (STRs) with the national FIU as needed. BJustCoin s.r.o. has appointed an AML Officer who is responsible for monitoring activity involving BJC on the platform and coordinating any reporting. For example, if a user were to attempt structuring – splitting a large transfer into several smaller transfers – or if BJC flowing through the platform came from or went to a known illicit wallet address (e.g., one flagged by Europol as ransomware proceeds), the AML team would prepare an STR for the Czech FIU (FAÚ) or the relevant national FIU where the activity is observed. The Czech Republic, having transposed 5AMLD, has an established regime for such reporting. As of January 2021, virtual asset service providers i

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In Czechia are classified as "obliged persons" in the AML Act, so they must report suspicious activities. BJustCoin s.r.o. stands ready to comply. It has not yet encountered a scenario requiring a report, but internal procedures (including consultation with legal counsel) are in place to file one without delay if needed.

- **AML Audit and Training:** The company has engaged external consultants to audit its AML program to ensure it meets the expectations of regulators like the FCA and ČNB, and it regularly trains its staff on AML obligations (e.g., the support team is trained to flag any suspicious inquiries or behaviors). This level of diligence is part of a risk-based approach that regulators expect.

In summary, BJustCoin s.r.o. complies with EU AML/KYC requirements by identifying and verifying its platform users, registering its operations where appropriate, and monitoring transactions. By doing so, it significantly reduces the risk that BJC could be used for money laundering or terrorist financing through the JustLaw platform or affiliated channels. This proactive compliance stance also instills confidence in banks and partners – it demonstrates that the project is not facilitating anonymous financial flows, which is crucial when seeking banking services or exchange listings (as banks and exchanges often ask about AML controls when evaluating crypto projects).

5.3 Czech Republic (AML/KYC)

Focusing specifically on the Czech Republic: as mentioned, Czech law (Act No. 253/2008 Coll., the AML Act) has since January 2020 included virtual asset service providers (VASPs) as obliged entities. This addition was made via an amendment implementing 5AMLD. It means any Czech business involved in virtual currency exchange, transfer, storage, or issuance falls under AML obligations in Czechia. BJustCoin s.r.o., being a Czech-incorporated entity issuing BJC and operating the platform, qualified as a VASP and has duly complied with domestic requirements: it notified the Financial Analytical Office (FAÚ) of its activities, which is required for new VASPs. (As of 2023, the regime is evolving – Czechia has proposed a new licensing requirement for VASPs in anticipation of MiCA, replacing the simple trade license regime with a more robust system under ČNB oversight. BJustCoin s.r.o. will naturally transition to any new authorization as required by mid-2025.)

Czech AML obligations mirror what's described at the EU level, with FAÚ as the authority receiving suspicious activity reports. BJustCoin s.r.o. has a Czech AML compliance officer and maintains records as mandated by law (e.g., preserving KYC data for at least 10 years, per Czech AML Act requirements).

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One local aspect is Czech law requires client identification for transactions over a certain value (around EUR 1,000 equivalent) and imposes fines for non-compliance. By identifying all users regardless of transaction size, BJustCoin s.r.o. exceeds this and thus faces low risk of any compliance gap.

The company also took heed of Czech-specific lists, such as Czech national sanctions lists (although sanctions are mostly EU-level, the Czech authorities might have their own notices on certain entities). It ensures screening tools incorporate any Czech-specific watchlists.

An additional point: Czech authorities (FAÚ and ČNB) have been active in educating and supervising new VASPs. BJustCoin s.r.o. has openly engaged with them — for instance, by responding to the ČNB's market survey on MiCA readiness (the ČNB circulated a questionnaire to crypto firms to gauge interest in MiCA licenses. By maintaining open dialogue, the company signals that it is a transparent actor rather than part of the "shadow" crypto economy.

In conclusion, in the Czech Republic, BJustCoin s.r.o. is fully compliant with AML/KYC laws. It has the appropriate registrations, internal procedures, and cooperative posture with regulators. This not only avoids legal risk (since non-compliance could lead to significant fines or business prohibition) but also strengthens BJC's credibility for potential Czech banking partners or institutional users who need to see strong AML controls.

5.4 United Kingdom (AML/KYC)

The United Kingdom's AML regime, while independent now, has been very similar to the EU's. The UK implemented the EU 5AMLD provisions via amendments to the Money Laundering, Terrorist Financing and Transfer of Funds (Information) Regulations 2017 (MLRs 2017). In January 2020, those regulations were updated so that cryptoasset exchange providers (including businesses that exchange crypto for fiat or crypto for crypto) and custodian wallet providers must register with the FCA for AML supervision. The FCA became the supervisor for these entities, and it has indeed rigorously vetted applicants – only a fraction of firms that applied were approved, reflecting the high bar for systems and controls.

In the UK context, if BJustCoin s.r.o. had a presence in the UK and was carrying out the business of issuing or exchanging BJC, it would need to register as a cryptoasset exchange provider. However, BJustCoin s.r.o. has no office or permanent establishment in the UK and does not directly offer services to UK consumers (UK users can access the platform, but the company has not actively marketed there, and any token sales excluded the UK). Therefore, BJustCoin s.r.o. itself has not registered with the FCA under the MLRs. Instead, the focus is on any UK-based partners or intermediaries: for example, if in the future BJustCoin s.r.o. partners with a UK company to facilitate GBP on-ramps for BJC, that UK partner must be FCA-registered. At present, BJC's major trading venues are outside the UK, and UK persons who acquire BJC likely do so through non-UK exchanges or decentralized platforms.

Nevertheless, to the extent UK users are on JustLaw, the platform's global AML policies apply to them equally. That means UK users undergo the same KYC checks and screening as EU users. The company is mindful of UK-specific sanctions lists maintained by HM Treasury (which can occasionally include names not on the EU lists). Compliance staff ensures screening covers those. The company also stays abreast of FCA guidance on crypto AML expectations – for instance, the FCA expects firms to perform ongoing blockchain analysis; as noted, BJustCoin s.r.o. does use blockchain analytics, and earlier this year it engaged a UK-based consultancy to review its compliance program against the FCA's published standards (including guidance from FCA's Cryptoasset Supervision team). The result of that review was positive, and any minor recommendations were implemented.

A significant aspect of AML now is the "Travel Rule" – the requirement to include originator and beneficiary information with crypto transfers, as promulgated by FATF. The UK has implemented the Travel Rule from September 2023 for UK crypto businesses. While BJustCoin s.r.o. is not a UK firm, they have committed that if any UK-regulated firms (like an FCA-registered exchange) interacts with BJC transactions, they will do their part to comply with Travel Rule requirements. Practically, this means if a UK exchange asks for information about a BJC withdrawal or deposit involving JustLaw, the company will provide the necessary customer details (with proper data protection safeguards). So far, this scenario hasn't occurred, but they are prepared for interoperability with Travel Rule solutions.

Finally, even though the UK did not transpose 6AMLD (since it left the EU), UK law already criminalizes money laundering strictly. BJustCoin s.r.o. has trained its staff on UK anti-money laundering laws and made clear that any involvement in illicit transactions could not only damage the project but also expose individuals to criminal liability. Cultivating a culture of compliance is key.

In summary, UK AML compliance for BJC is achieved through a combination of not carrying out regulated activities in the UK without registration, and applying equivalent AML controls for any UK-related transactions. The FCA has not raised any concerns about BJC, and in fact BJustCoin s.r.o. has proactively consulted UK counsel to ensure that if the project ever expands in the UK, it will preemptively get the necessary approvals.

5.5 Global AML Perspective and FATF Alignment

On a global level, the Financial Action Task Force (FATF) has issued guidance (most notably in June 2019, updated 2021) setting international standards for Virtual Assets and VASPs. The FATF Recommendations now require jurisdictions to regulate VASPs, perform KYC, and implement the Travel Rule for crypto transfers. The jurisdictions covered in this opinion – U.S., EU (Czech), and UK – are all largely compliant with these standards and have incorporated them into their laws. BJustCoin s.r.o.'s policies were crafted with FATF's guidance in mind: a risk-based approach to AML, KYC for all users, transaction monitoring, and cooperation on the travel rule. This means the project's AML compliance is not narrowly tailored to one country but meets a baseline accepted globally. Such alignment is crucial because when presenting BJC to international exchanges or institutional partners, one of the first questions is whether the project meets FATF standards (to avoid those partners themselves being exposed under their regulators' expectations). I can confidently say that BJustCoin s.r.o. does meet those standards.

In conclusion, across all covered jurisdictions, BJustCoin s.r.o. has established a strong AML/KYC compliance framework. This greatly reduces regulatory risk (authorities are far less likely to take action against a token issuer that is actively preventing money laundering) and it is an important mitigating factor in the overall risk profile of BJC. Many enforcement actions in the crypto space have stemmed from AML failings, so by excelling in this area, BJC differentiates itself as a professionally run project.

6. Data Protection and Privacy Compliance

6.1 United States – Data Privacy Considerations

The United States does not have an overarching federal data protection law equivalent to the EU's GDPR. Instead, it has a sectoral and state-level patchwork: for example, the Health Insurance Portability and Accountability Act (HIPAA) for health data, the Gramm-Leach-Bliley Act (GLBA) for financial data, and state laws like the California Consumer

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Privacy Act (CCPA) for general personal data in certain contexts. BJustCoin s.r.o., in operating the JustLaw platform and conducting KYC, inevitably handles personal information of users, including some U.S. users (even though U.S. persons were largely excluded from the token sale, U.S.-based lawyers or clients might still use the platform services paid in BJC). To address U.S. privacy expectations, the company implemented a privacy policy and data security measures that follow industry best practices. Users are informed about what data is collected (e.g. name, contact, verification documents), how it's used (compliance, platform functionality), and their choices. Although CCPA likely does not directly apply to BJustCoin (it typically applies to larger businesses or those dealing in the personal data of 50k+ California residents, etc.), the company honors basic CCPA rights like offering U.S. users the ability to access or delete their data upon request. Additionally, BJustCoin s.r.o. maintains strong cybersecurity protocols, given that a data breach of KYC information could lead to legal liability and reputational harm. By aligning with general U.S. privacy principles (transparency, data minimization, reasonable security, etc.), the company stays ahead of any potential U.S. regulatory scrutiny in this area.

6.2 European Union – GDPR

The EU's General Data Protection Regulation (GDPR) applies to BJustCoin s.r.o. because the JustLaw platform offers services to individuals in the EU (including Czech Republic) and processes their personal data. GDPR is one of the strictest privacy laws globally, and non-compliance can result in heavy fines. BJustCoin s.r.o. has taken GDPR compliance seriously. It has appointed a Data Protection Officer (DPO) given that the platform involves systematic monitoring of individuals (user activity on a blockchain-based legal service could be deemed systematic monitoring). The company has a GDPR-compliant privacy notice that clearly explains the purposes of data processing (e.g., KYC/AML, providing the platform service, token sale records), the legal bases for processing, data retention periods, and users' rights. Key GDPR principles observed include: data minimization (only collecting what is necessary for KYC and platform functionality), purpose limitation (not using personal data for unrelated purposes like marketing without consent), and storage limitation (KYC data is retained only as long as required by AML laws and then securely deleted).

BJustCoin s.r.o. identified the appropriate lawful bases under GDPR for its data activities. For KYC data, the lawful basis is compliance with a legal obligation (AML laws). For general platform use data, the basis can be contract necessity (they need to process user login info, transaction details, etc., to perform the service). In some cases, consent is obtained (e.g., if they ever wanted to send promotional emails, they'd ask for consent).

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The company has also implemented features to facilitate users exercising their data subject rights: EU users can request a copy of their data, request correction of inaccuracies, or request deletion. When a deletion request comes, BJustCoin s.r.o. evaluates it in light of exceptions (for instance, certain data cannot be deleted if needed for ongoing legal compliance, such as audit logs or records required by AML rules). Generally, platform users can self-service delete their account which removes most personal info, with the company retaining only what's necessary (e.g., minimal transaction logs that might be kept for financial integrity or AML evidence, which is allowed under GDPR's legal obligation exception).

A unique challenge is that BJC transactions occur on a blockchain, which is by nature immutable. GDPR's "right to erasure" and "right to rectification" do not align neatly with blockchain, since data on-chain (like a public address and transaction) cannot be altered or erased. BJustCoin s.r.o. has addressed this by ensuring that no personal data is written to the blockchain. BJC transactions are recorded on-chain by public addresses, but those addresses are pseudonyms (random strings) and the company's internal systems map users to their addresses off-chain. They do not put real names, user IDs, or any plaintext personal details in transaction metadata. This way, the blockchain itself contains no GDPR personal data, only pseudonymous data. If a user invokes the right to be forgotten, they can delete the linkage in their database between their identity and the blockchain address, effectively "forgetting" them while the blockchain data remains but is no longer attributable to an identified person from their perspective. This approach of pseudonymization is a recognized mitigation strategy under GDPR for blockchain projects.

They have also signed agreements with any third-party processors (for example, identity verification providers for KYC) to ensure they also follow GDPR and only process data on their instructions. Data of EU users is stored on servers in the EU to avoid unnecessary transfers; if any data is transferred out (e.g., to the parent company in a third country), appropriate safeguards like Standard Contractual Clauses are in place.

By adhering to GDPR, BJustCoin s.r.o. avoids regulatory fines in the EU and demonstrates to European institutional stakeholders that it upholds high standards of data governance. Given that some JustLaw users are legal professionals themselves, showing respect for confidentiality and privacy is also important for business credibility.

6.3 United Kingdom – UK Data Protection

After Brexit, the UK adopted the GDPR into domestic law (often called "UK GDPR"), alongside the Data Protection Act 2018. The requirements remain essentially the same as EU GDPR. BJustCoin s.r.o.'s compliance with EU GDPR means it is also compliant with UK data protection law. The company has noted the UK Information Commissioner's Office (ICO) guidance, and would cooperate with the ICO if any UK user filed a complaint. So far, there have been no data subject complaints or breaches.

In summary, BJustCoin s.r.o. has implemented comprehensive data protection measures to safeguard user privacy, which is an important complement to its financial regulatory compliance. This reduces the risk of enforcement under privacy laws and enhances user trust.

7. Regulatory Risks and Mitigation Measures

Although the analysis above concludes that BJC is not a regulated security or e-money in the jurisdictions reviewed and that the project is compliant with applicable obligations, it is important to acknowledge residual regulatory risks and how BJustCoin s.r.o. is prepared to mitigate them.

7.1 Risk of Changing Regulatory Stance (Reclassification Risk): Regulators could change their interpretation or the laws could change, potentially bringing utility tokens like BJC into the regulatory net. For instance, the SEC could issue new guidance or pursue enforcement that further expands what is considered an investment contract – perhaps targeting tokens that previously thought themselves pure utility. Similarly, the UK could accelerate its plan to require authorization for any token issuance. Mitigation: BJustCoin s.r.o. stays closely informed of regulatory developments. I (as an independent legal advisor) provide periodic updates and will promptly reassess BJC's status if any new law (such as a hypothetical U.S. "Digital Asset" law or UK rules under FSMA 2023) comes into effect. The project also designs the token and platform in a manner that could comply with securities laws if ever required (for example, the company could relatively easily implement a restricted access or accredited-only system for U.S. users if a future U.S. law mandated it, or could register the token if absolutely necessary). Essentially, there is a contingency plan to adapt BJC's offering (through geo-fencing, obtaining licenses, or even registering the token) should laws change.

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6.3 United Kingdom – UK Data Protection

7.2 Enforcement Sweep Risk: In the U.S., the SEC has at times undertaken broad enforcement sweeps, and the CFTC and DOJ have targeted even non-securities where fraud/misconduct is found. If the SEC were to nonetheless investigate BJustCoin s.r.o., the company would incur legal costs and uncertainty, even if ultimately not charged. Mitigation: The company has maintained a very conservative marketing approach – avoiding any "red flag" statements that have tripped up others. No phrases like "investment opportunity" or "high returns" have ever been used in relation to BJC. The emphasis on utility is documented. Additionally, BJustCoin s.r.o. would engage with the SEC proactively if inquiries were made, presenting this legal opinion and underlying evidence to demonstrate good faith compliance. The best mitigation here is the thorough documentation of the utility nature of BJC, which has been done. In case of an enforcement action, having contemporaneous evidence of compliance efforts (AML, disclosures, etc.) and lack of intent to evade securities laws would be a strong defense or negotiating point.

7.3 Market Integrity and Consumer Protection Risk: Regulators like the FCA and ESMA are also concerned with consumer harm from crypto volatility and fraud. Even if BJC is not a security, if its trading were associated with pump-and-dump schemes or if users were misled about its use, consumer protection laws (or general fraud laws) could come into play. Mitigation: BJustCoin s.r.o. monitors markets for any unusual trading or misinformation. The company engages with its community through official channels to correct any rumors or false information (for instance, if an unrelated third party promoted BJC with false promises, the company would issue a clarification). The project also ensures that all official communications carry appropriate disclaimers about crypto risks (volatility, no guaranteed value, etc.), aligning with the UK's expectations for fair and not misleading communications. The team has internal policies forbidding any insider trading or coordinated manipulation – employees and advisors with token holdings are under lock-up agreements and subject to trading blackouts around significant announcements to prevent any appearance of improper trading. By fostering a reputation for transparency and refraining from hype, BJustCoin s.r.o. makes it less likely that authorities would view BJC as causing consumer harm.

7.4 AML and Sanctions Risk: Non-compliance with AML can lead to enforcement by financial intelligence units or even cause exchanges/banks to refuse to deal with the token. They have already detailed the AML compliance steps which mitigate this risk. The remaining risk would be if a bad actor managed to use BJC for illicit purposes unnoticed. Mitigation:

Ongoing enhancements to monitoring tools are planned – for example, integrating new blockchain analytics services that flag mixers or darknet markers. The company is also exploring partnerships with compliance firms to run audit nodes that watch BJC's blockchain activity in real time. On sanctions: they update their sanctions lists dynamically and have procedures to immediately freeze or block any address (to the extent under their control) if it becomes sanctioned. This agility will reduce exposure if geopolitical events put certain crypto addresses on sanctions lists (similar to how OFAC sanctioned certain Tornado Cash addresses).

7.5 Technological and Operational Risk: Regulatory compliance also includes handling any technological incidents. If BJC's smart contract had a flaw or the platform was hacked, users could be harmed and regulators might investigate. Mitigation: The BJC smart contracts underwent security audits before deployment. There is an ongoing bounty program to incentivize responsible disclosure of any vulnerability. The company has an incident response plan which includes notifying users and regulators if a breach of personal data or funds occurs, in line with legal obligations (GDPR requires notification to authorities within 72 hours of certain breaches). Insurance policies (cyber insurance) have been obtained to cover damages in case of an incident. This demonstrates operational resilience, which regulators expect as part of overall risk management.

7.6 Regulatory Engagement: One of the best ways to mitigate regulatory risk is to maintain open lines of communication with regulators. BJustCoin s.r.o. has, through counsel, informally reached out to regulators where appropriate (for instance, seeking guidance from the ČNB on how to handle the MiCA transition, or from the FCA's innovation hub regarding the promotions regime). By engaging proactively, the company can often address concerns before they escalate. Additionally, if seeking exchange listings, the due diligence by exchanges sometimes involves feedback from regulators – having a positive profile with regulators will aid in those discussions.

In sum, while no project can eliminate all regulatory risk in the evolving crypto landscape, BJustCoin s.r.o. has implemented robust measures to minimize risks and to be prepared for any regulatory inquiries or changes. The combination of classifying the token correctly (utility, not security/e-money), complying with AML and financial integrity rules, respecting marketing rules, and being ready to adapt, puts the project in a strong defensive position. I assess the overall regulatory risk of BJC as low given current information.

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The token has been structured from the ground up to avoid the pitfalls that have ensnared other projects. Continued vigilance is advised – the legal team will keep monitoring legislative proposals (such as the pending U.S. bills or the detailed UK rules expected to roll out after the consultation) and global enforcement trends (for example, increased coordination via the IOSCO or IMF recommendations). BJustCoin s.r.o. also plans to periodically refresh this legal opinion (or obtain new opinions) as significant legal changes occur, ensuring that investors, exchanges, and partners always have up-to-date analysis.

8. Conclusion

After a thorough analysis, BJustCoin (BJC) is found to be a legally compliant utility token rather than a regulated security or e-money in the United States, European Union (and Czech Republic), and United Kingdom. BJC's characteristics – a platform-focused token without profit rights – mean it does not trigger the strict securities laws in these jurisdictions. The project's proactive compliance with AML/KYC regulations and attention to consumer protection further reinforce its credibility and legality. All required regulatory filings and registrations (such as AML registrations and MiCA notifications) are being duly handled. The regulatory risk profile of BJC is low, and with the mitigation measures in place, BJustCoin s.r.o. and its partners can move forward confidently in expanding the JustLaw platform and integrating BJC into various services. This opinion, supported by the cited legal authority, can be presented to regulators, exchanges, or institutional stakeholders as evidence of BJC's compliance and the company's commitment to adhering to the law. As an independent legal expert, I will continue to monitor the landscape and advise on any adjustments needed. But as of the date hereof, it is my opinion that BJC is on solid legal ground in the jurisdictions analyzed, and the company's compliance efforts position it well for future regulatory developments.

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Footnotes and Sources (Legal References):

1. SEC v. W. J. Howey Co., 328 U.S. 293 (1946) – Defining an "investment contract" as a transaction involving an investment of money in a common enterprise with profits to come solely from the efforts of others.
2. SEC Press Release No. 2020-262 (Oct. 21, 2020) – SEC v. Kik Interactive: Final judgment against Kik; court found Kik's sale of Kin tokens was an unregistered securities offering under Howey.
3. SEC Press Release No. 2017-227 (Dec. 11, 2017) – In re Munchee Inc.: ICO halted by SEC; even a "utility token" can be an investment contract if marketed as an investment with expectation of profits (SEC Order described Munchee's token sale).
4. SEC No-Action Letter to TurnKey Jet, Inc. (April 3, 2019) – The SEC's Division of Corporation Finance outlined factors under which it would not consider a token a security (platform fully built and operational, token immediately usable for utility, no expected profits, stable token value, non-transferable outside the platform). This letter provided a safe harbor for a pure utility token.
5. Gary Gensler, SEC Chair – Speech: "Kennedy and Crypto" (Sept. 8, 2022) – Stated that of nearly 10,000 tokens, the vast majority are securities; only a small number might be "crypto non-security tokens," implying most tokens should fall under SEC jurisdiction. (This underscores SEC's stance and the need for projects to justify non-security status).
6. FCA Policy Statement PS19/22 (July 2019) – FCA's Guidance on Cryptoassets (Feedback and Final Guidance to CP19/3) – Defined three categories of cryptoassets: security tokens (within regulatory perimeter), e-money tokens (within E-Money Regulations), and unregulated tokens (utility/exchange tokens). Confirmed that utility tokens and exchange tokens are not regulated unless they meet the definition of e-money.
7. FCA Guidance FG21/1 (2021) on Cryptoasset Promotions – FCA's finalized guidance on financial promotions relating to cryptoassets, now enforced via the Financial Promotion (Amendment) Order 2023. Requires that promotions of qualifying cryptoassets to UK consumers include clear risk warnings, no misleading statements, and (from 8 Oct 2023) be made or approved by authorized persons. Bans 'refer a friend' bonuses and the like to retail. (This is applicable to how BJustCoin s.r.o. must conduct UK marketing).
8. Directive 2014/65/EU (MiFID II) – Annex I Section C lists the types of financial instruments (transferable securities, money market instruments, units in collective investment undertakings, options, futures, swaps, etc.). Article 4(1)(44) defines "transferable securities" as those classes of securities negotiable on the capital market (with exceptions). BJC does not fall within these categories.

9. BaFin (Germany) – Guidance Notice on ICOs (Feb. 2018) – BaFin clarified its approach to token classification: security tokens (tokens granting rights like stocks or bonds) require prospectus and regulation; utility tokens that exclusively serve as access to a service are generally not considered securities or investment products (but each case judged on facts).

10. Regulation (EU) 2023/1114 (MiCA) – Article 3 defines "utility token" as "a type of crypto-asset that is intended to provide digital access to a good or service, available on distributed ledger technology, and that is only accepted by the issuer of that token as a means of access to that good or service". Recitals 26-29 explain the rationale and scope of utility tokens versus asset-referenced and e-money tokens. (BJC squarely fits this definition).

11. Electronic Money Directive 2009/110/EC – Article 2(2) defines electronic money as "electronically, including magnetically, stored monetary value as represented by a claim on the issuer which is issued on receipt of funds for the purpose of making payment transactions… and which is accepted by a natural or legal person other than the electronic money issuer." (BJC fails this definition: no claim on issuer, not issued for fiat, not generally accepted outside issuer's platform).

12. CFTC v. My Big Coin Pay, Inc., 334 F. Supp. 3d 492 (D. Mass. 2018) – Federal court held that My Big Coin (a cryptocurrency) was a "commodity" under the Commodity Exchange Act because contracts for future delivery (Bitcoin futures) were traded on CFTC-regulated exchanges for similar cryptocurrencies. This affirmed the CFTC's jurisdiction over fraud in crypto spot markets under the broad "commodity" definition.

13. CFTC Press Release No. 7820-18 (Oct. 3, 2018) – "Federal Court Finds that Virtual Currencies Are Commodities" – Quoted the court's finding in My Big Coin case and noted CFTC's authority to pursue fraud in virtual currency markets under CEA provisions. (Illustrates that BJC, as a virtual currency, is a commodity and subject to CFTC anti-fraud enforcement).

14. FinCEN Guidance FIN-2013-G001 (Mar. 18, 2013) – Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies. Clarified that: a user of virtual currency is not an MSB, but an administrator or exchanger is a money transmitter MSB and must register, implement AML program, etc.

15. Directive (EU) 2018/843 (5th Anti-Money Laundering Directive) – Brought crypto-fiat exchanges and custodian wallet providers into EU AML scope (amending Directive 2015/849). EU Member States had to transpose by Jan 2020. Also introduced requirements for member states to create central bank account registries and other measures.

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(Czech AML Act was amended accordingly to cover VASPs) ([CMS Expert Guide to Crypto Regulation Czech Republic](https://cms.law/en/int/expert-guides/cms-expert-guide-to-crypto-regulation/czech-republic:~:text=AML%20Regulation%20Any%20other%20regulation,services%20related%20to%20virtual%20assets)). Sixth AML Directive (2018/1673) further harmonized criminal penalties for money laundering.

16. UK Money Laundering Regulations 2017 (as amended 2019) – Regulation 14A (inserted by 2019 amendments) requires cryptoasset exchange providers and custodian wallet providers to register with FCA by 10 January 2021 and comply with AML obligations. FCA Guidance (Cryptoasset AML Regime) emphasizes firms must have customer due diligence, monitoring, record-keeping, and file SARs.

17. Court of Justice of the EU, Hedqvist (Case C-264/14, 2015) – Held that exchange of traditional currency for Bitcoin (and vice versa) is exempt from VAT as a supply of services linked to currency, because Bitcoin was deemed a means of payment. This case implies that cryptocurrencies used as payment methods are treated like currency for VAT (no VAT on the exchange). By extension, if BJC is used as a means of payment for services, those transactions (exchange of BJC with fiat) would not attract VAT. (This is a tax consideration showing EU doesn't want to double-tax crypto transactions).

18. SEC v. Ripple Labs, Inc., 2023 WL 4507900 (S.D.N.Y. July 13, 2023) – Ruling that Ripple's institutional sales of XRP to sophisticated investors violated securities laws (XRP was an investment contract in that context), but programmatic sales on exchanges to the general public were not investment contracts, partly because purchasers did not know if their money went to Ripple and did not necessarily expect profit from Ripple's efforts. This nuanced outcome suggests that even if a token can be a security in one context, it might not be in another. (While not binding beyond that case, it supports arguments for utility tokens distributed widely without investment intent).

19. HM Treasury Consultation Response (30 Oct 2023) – "Future financial services regulatory regime for cryptoassets" – UK Government's policy statement outlining a phased approach to regulating crypto: stablecoins first (via the Financial Services and Markets Act 2023 which created a regime for "Digital Settlement Assets"), then a broader regime for unbacked cryptoassets including potential regulation of issuance, trading, and lending activities under FSMA. Confirms that the government will require crypto firms to be authorized for currently unregulated activities in a proportionate way.

20. Financial Action Task Force (FATF) – Guidance for Virtual Assets and VASPs (June 2019, updated Oct 2021) – Set international standards: countries should regulate exchange providers, wallet providers, ICO issuers as VASPs, enforce KYC/CDD, record-keeping, STR filing, and implement the "Travel Rule" for crypto transfers above certain thresholds. (U.S., UK, and EU/CZ have all implemented these standards in their laws, and BJustCoin's policies align with them).