



EU approach to crypto-asset regulation

JVI Seminar: Legal aspects of digital assets and services

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Regulation on markets in crypto-assets (MiCA)

- A bespoke and comprehensive legal framework on crypto-assets
- Entry into force on 29 June 2023, application date: 30 June 2024 (stablecoins), 30 December 2024 (crypto-asset service providers, market abuse, supervision)
- EU Regulation, which directly applies in all EU Member States
- Objective: promote innovation (legal certainty, passporting) while addressing the risks to consumers, market integrity and financial stability as well as monetary sovereignty
- Regulating 1) issuers of crypto-assets, 2) crypto-asset service providers and 3) market abuse
- Implementing [FSB Recommendations](#) on crypto-assets

MiCA Taxonomy

Crypto-assets

a digital representation of a value or a right which may be transferred and stored electronically, using distributed ledger technology or similar technology

Outside of MiCA scope:

- Crypto-assets that are already covered by other financial services acts (e.g. securities)
- Issued by public bodies, international organisations (e.g. CBDC)
- Unique and non-fungible tokens (NFTs)
- Fully DeFi

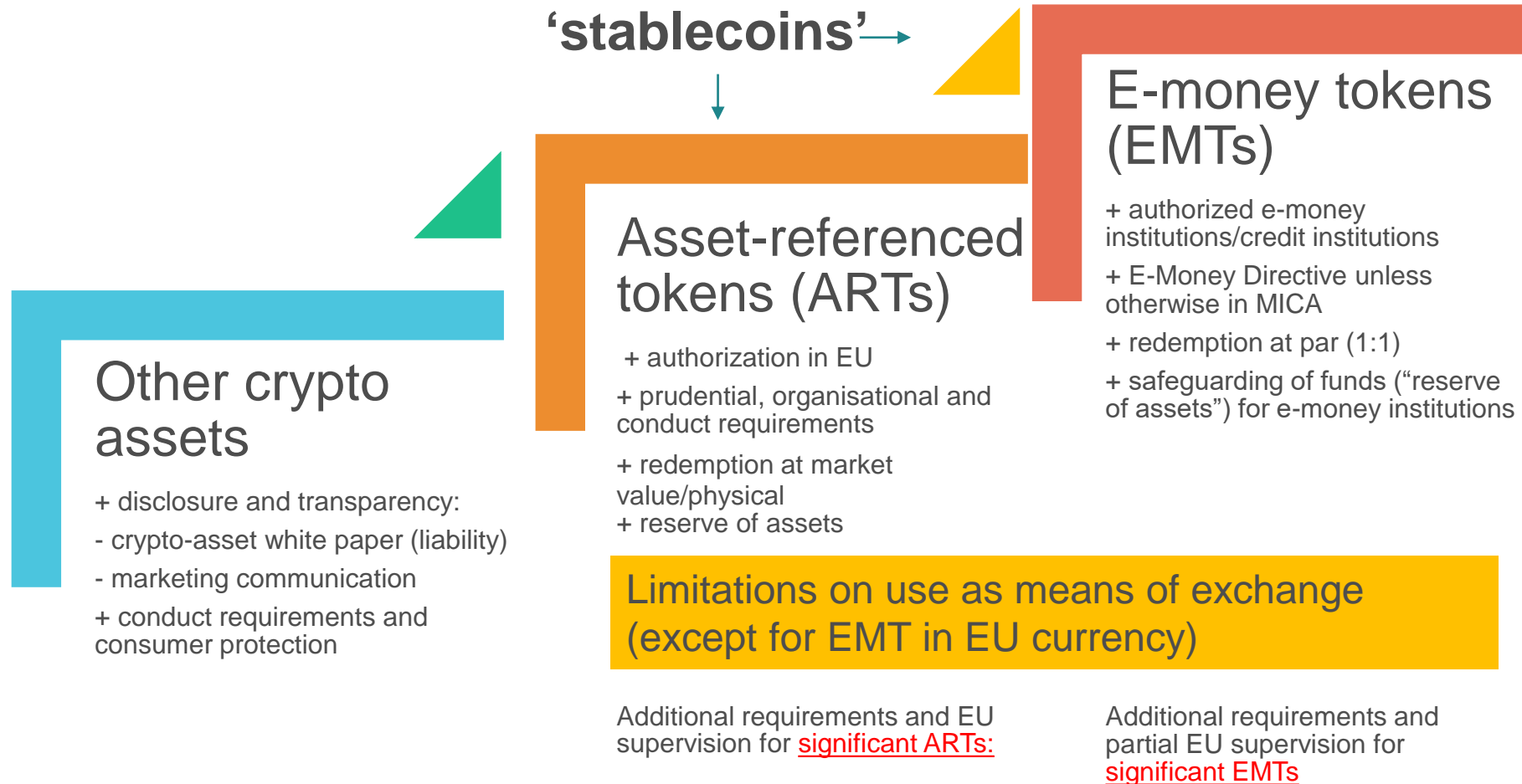
Asset-referenced tokens

a type of crypto-asset that is not an electronic money token and that purports to maintain a stable value by referencing to any other value or right or a combination thereof, including one or more official currencies

E-money tokens

A type of crypto-asset that purports to maintain a stable value by referencing to the value of one official currency

MiCA obligations on issuers



Crypto-asset service providers and market abuse

Crypto-asset services

- *Operation of trading platforms*
- *Custody services (wallets)*
- *Exchange services (for funds or other crypto-assets)*
- *Execution of orders*
- *Placing of crypto-assets*
- *Reception/ transmission of orders*
- *Advice*
- *Portfolio management*
- *Transfer services*

Requirements for crypto-asset service providers (CASPs)

- *Authorised in EU*
- *General prudential, organisational and conduct requirements*
- *Specific requirements for each service*

Prevention of Market Abuse

- *Insider dealing*
- *Unlawful disclosure of inside information*
- *Market manipulation*
- *Reporting of suspicious transactions*

MiCA scope: exclusion of financial instruments

- Explicit exclusion of financial instruments (securities, derivatives ...), e-money, deposits, pension and insurance products
- The issuer responsible for correct classification: explanation or legal opinion to the competent authority on classification upon notification/request for authorisation
- There is no harmonised definition of a financial instrument at EU level, which is addressed by:
 - European Securities and Markets Authority (ESMA) to issue guidelines on qualification of CA as financial instruments;
 - European supervisory authorities (ESAs) promote discussions on classification; possibility for national competent authorities to ask ESAs for an opinion;
- Case-by-case basis assessment by national competent authorities

Digital euro

- June 2023: proposal for a [Digital Euro Regulation](#), sets out essential elements of digital euro, enable the ECB to issue digital euro
- Not replace cash, complements cash, additional method of payment for consumers
- Direct liability of the central banks, while distributed by intermediaries (banks and payment service providers)
- Legal tender status in the Eurozone (mandatory acceptance)
- Means of payment (prohibition of interest, holding limits)
- Online and offline (high level of privacy)

Thank you



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