

Digital finance: Markets in Crypto-assets (MiCA)

2020/0265(COD) - 09/06/2023 - Final act

PURPOSE: to establish a new fully harmonised EU legal framework regarding the proper functioning of crypto-asset markets.

LEGISLATIVE ACT: Regulation (EU) 2023/1114 of the European Parliament and of the Council on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

CONTENT : this Regulation lays down uniform requirements for the offer to the public and admission to trading on a trading platform of crypto-assets other than asset-referenced tokens and e-money tokens, of asset-referenced tokens and of e-money tokens, as well as requirements for crypto-asset service providers.

This regulatory framework aims to **protect investors, preserve financial stability**, while allowing innovation and fostering the attractiveness of the crypto-asset sector.

In particular, this Regulation lays down the following:

- **transparency and disclosure requirements** for the issuance, offer to the public and admission of crypto-assets to trading on a trading platform for crypto-assets;
- **requirements for the authorisation and supervision** of crypto-asset service providers, issuers of asset-referenced tokens and issuers of e-money tokens, as well as for their operation, organisation and governance;
- **requirements for the protection of holders of crypto-assets** in the issuance, offer to the public and admission to trading of crypto-assets;
- **requirements for the protection of clients** of crypto-asset service providers;
- **measures to prevent insider dealing**, unlawful disclosure of inside information and market manipulation related to crypto-assets, to ensure the integrity of markets in crypto-assets.

Scope of application

The new rules apply to issuers of utility tokens, tokens referring to assets and ‘stable cryptocurrencies’. They also apply to service providers such as trading platforms and wallets where crypto assets are held. Non-fungible tokens (NFTs), i.e. digital assets representing real objects such as works of art, music and videos, are excluded from the scope of the MiCA regulation unless they fall within existing categories of crypto-assets.

EU-wide rules for crypto-asset service providers

Crypto-asset service providers (CASPs) should have an authorisation to operate within the EU. National authorities should be required to issue authorisations within a timeframe of three months. Regarding the largest CASPs, national authorities should transmit relevant information regularly to the European Securities and Markets Authority (ESMA).

Consumer protection

To ensure their protection, prospective retail holders of crypto-assets should be informed of the characteristics, functions and risks of the crypto-assets that they intend to purchase. When making an offer to the public of crypto-assets other than asset-referenced tokens or e-money tokens or when seeking admission to trading of such crypto-assets in the Union, offerors or persons seeking admission to trading should **draw up, notify to their competent authority and publish an information document** containing mandatory disclosures ('a crypto-asset white paper').

A **crypto-asset white paper** should contain general information on the issuer, offeror or person seeking admission to trading, on the project to be carried out with the capital raised, on the offer to the public of crypto-assets or on their admission to trading, on the rights and obligations attached to the crypto-assets, on the underlying technology used for such crypto-assets and on the related risks.

MiCA should **protect consumers** against some of the risks associated with the investment in crypto-assets and help them avoid fraudulent schemes. With the new rules, crypto-asset service providers should respect strong requirements to protect consumers wallets and become liable in case they lose investors' crypto-assets.

Each holder of crypto-assets known as 'stablecoins' may be **reimbursed** at any time and free of charge by the issuer.

Moreover, actors in the crypto-assets market should be required to declare information on their environmental and climate footprint. The European Securities and Markets Authority (ESMA) should develop draft regulatory technical standards on the content, methodologies and presentation of information related to principal adverse environmental and climate-related impact.

Market manipulation and money laundering

The Regulation includes measures against market manipulation and to prevent money laundering, terrorist financing, and other criminal activities. In order to combat money laundering risks, ESMA will set up a **public register** for non-compliant crypto-asset service providers operating in the EU without authorisation.

Crypto-asset service providers, whose parent company is located in countries listed on the EU list of third countries considered at high risk for anti-money laundering activities, as well as on the EU list of non-cooperative jurisdictions for tax purposes, will be required to implement enhanced checks in line with the EU anti-money laundering framework.

Reports

Before 30 December 2024, the Commission will present a report on the latest developments in the field of crypto-assets, accompanied, where appropriate, by a legislative proposal. The report should include an assessment of developments in the markets for unique and non-fungible crypto-assets and the appropriate regulatory treatment of these crypto-assets, including an assessment of the need for **regulation applicable to providers of unique and non-fungible crypto-assets** as well as providers of services related to these crypto-assets.

By 30 June 2025, the European Commission will have to provide a report on the environmental impact of crypto-assets.

ENTRY INTO FORCE: 29.6.2023.

APPLICATION: from 30.12.2024.