

# Markets in Crypto-Assets Regulation (MiCA)

*Executive summary*

A futuristic robotic hand, white and blue, holds a glowing yellow sphere. Below it, on a laptop keyboard, are four stacks of gold coins of increasing height. The background is a blurred digital interface with green and blue lights.

Executive summary

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Specific characteristics per type of crypto-asset

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Authorisation conditions for crypto-assets  
service providers

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# 1 Executive summary

## General overview

This Regulation entered into force the 29<sup>th</sup> of June 2023. MiCA aims to protect users and investors while facilitating distributed ledger technology and digital asset regulation in the European Union

### Context

The Markets in Crypto-Assets regulation offers a unique regulatory framework in the EU for cryptocurrency enterprises, providing more clarity on the fundamental guidelines for participants in the sector. It is intended to provide security and transparency in the world of digital assets.

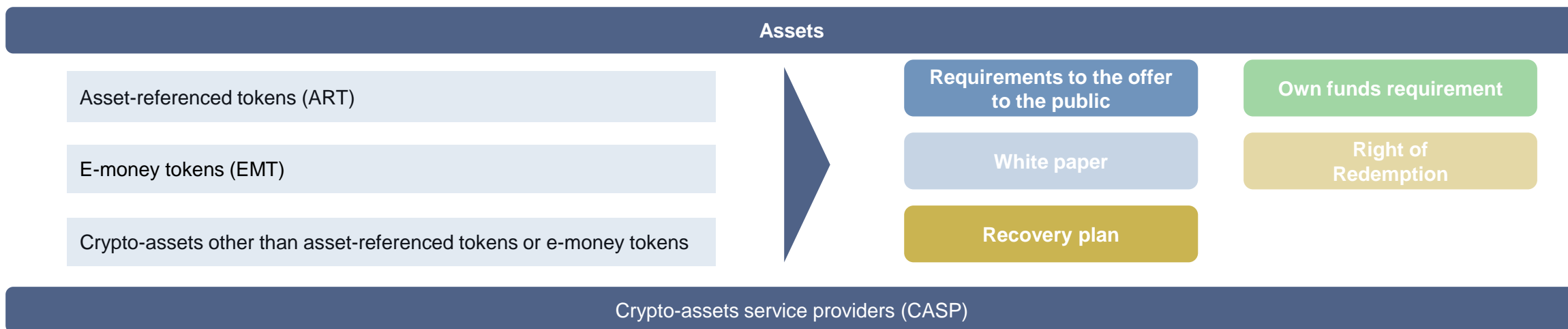
### Scope of application

This Regulation applies to natural and legal persons and certain undertakings that are engaged in the issuance, offer to the public and admission to trading of crypto-assets or that provide services related to crypto-assets in the EU.

### Next steps

MiCA includes a substantial number of Level 2 and Level 3 measures that must be developed before the entry into application of the new regime (within a 12-to-18-month deadline depending on the mandate, see the timeline in the next slide).

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## Executive summary Implementation timeline

MiCA includes a substantial number of Level 2 and Level 3 measures that must be developed before the entry into application of the new regime, within a 12-to-18-month deadline depending on the mandate

### MiCA implementation timeline

June 2023  
MiCA Publication

- October 2023. CP2 publication, likely covering remaining mandates with a 12-month deadline, including:
- **sustainability** indicators;
  - **business continuity** requirements;
  - **trade transparency** data and order book **record-keeping**;
  - record keeping **requirements** for Crypto Asset Service Providers (CASPs);
  - classification and templates and format of **crypto-asset white papers**,
  - public disclosure of **inside information**

- June 2024. Entry into application of:
- Title III. **Asset-referenced tokens (ART)**
  - Title IV. **E-money tokens (EMT)**

2023

- July 2023. CP1 Publication. RTIs and ITS regarding:
- **notification** content, form and templates;
  - **application for the authorisation** content, form and templates;
  - **complaint** handling procedure;
  - management and prevention, disclosure of **conflict of interest**;
  - **intended acquisition** information requirements

2024

- Q1 2024. CP3 Publication, likely covering remaining mandates with a 18-month deadline, including:
- **qualification** of crypto-assets as financial instruments;
  - monitoring, detection and notification of **market abuse**
  - **investor protection**
    - reverse solicitation;
    - suitability of advice and portfolio management services to the client;
    - policies and procedures for crypto-asset transfer services, including clients' rights;
    - system resilience and security access protocols

- December 2024. Entry into application of:
- Title I. Subject matter, scope and definitions
  - Title II. **Crypto-assets other than asset-referenced tokens or e-money tokens**
  - Title V. **Authorisation and operating conditions** for crypto-assets service providers
  - Title VI. Prevention and prohibition of **market abuse**
  - Title VII. Competent authorities



# 1 Executive summary

## Comparison between types of crypto-assets

### MiCA establishes various levels of requirements depending on the type of asset covered in the Regulation

Requirements	Asset-referenced tokens (ART)	E-money tokens (EMT)	Other crypto-assets
Requirements to the offer to the public	<ul style="list-style-type: none"> <li>i) be a legal person or other undertaking that is established in the Union and has been authorised by the competent authority of its home Member State; or</li> <li>ii) a credit institution that complies with a set of requirements related with white paper and ART notification package.</li> </ul>	<ul style="list-style-type: none"> <li>i) be a credit institution or an electronic money institution; and</li> <li>ii) having notified a crypto-asset white paper to the competent authority and published that crypto-asset white paper.</li> </ul>	<ul style="list-style-type: none"> <li>i) Being a legal person;</li> <li>ii) having drawn up a crypto-asset white paper, has notified it and published it;</li> <li>iii) Having drafted the marketing communications and published it, if any;</li> <li>iv) complying with the requirements for persons seeking admission to trading.</li> </ul>
White paper	Needs to be <b>approved</b> by a National Authority.	Does not need to be approved, only <b>notified</b> .	Does not need to be approved, only <b>notified</b> .
Recovery plan	Required to provide measures for any issues related to the <b>reserve of assets</b> . It is also required a plan for the <b>orderly redemption of tokens</b> to ensure the rights of asset-referenced tokens holders are protected.	Required to provide measures for any issues related to the <b>reserve of assets</b> .	Without regulation
Own funds requirement	Issuers shall, at all times, have own funds equal to an amount of at least the highest of the following: i) EUR 350 000; ii) 2 % of the average amount of the reserve of assets; and iii) a quarter of the fixed overheads of the preceding year.	3 % of the average amount of the reserve assets for issuers of significant asset-referenced tokens.	Without regulation
Right of Redemption	Market value	Par value for funds denominated in the official currency that the e-money token is referencing	Without regulation

## 2 Specific characteristics per type of crypto-asset

### Asset-referenced tokens

**Asset-referenced tokens must comply with specifications for their admission to trading, with obligations of issuers and with reserve assets requirements**

#### Authorisation to offer ART to the public and to seek their admission to trading

##### Credit institutions

- To draw up a crypto-asset white paper for the ART and submit it for approval by the competent authority of its home Member State.
- To notify the respective competent authority, at least 90 working days before issuing the ART for the first time.

##### Legal persons and other undertakings

- Submit their **application for an authorization**, containing, where applicable, the address, the legal entity identifier and the articles of association of the applicant issuer, among others.

#### White paper for ART

- Competent authorities shall take a fully reasoned decision granting or refusing authorization to the applicant issuer and, within 5 working days of taking that decision, notify it to the applicant issuer. Where an applicant issuer is authorised, its crypto-asset white paper shall be deemed to be approved. The requirements that give the competent authority grounds to reject the white paper are: i) the management body of the applicant issuer might pose a threat to the adequate consideration of the interest of its clients and the integrity of the market; ii) management body, shareholders and members, whether direct or indirect, that have qualifying holding, do not meet the criteria; and iii) the applicant issuer fails to meet or is likely to fail to meet any of the requirements and if their business model might pose a threat.

#### Recovery and redemption plans

- **Issuers** of ART shall draw up and maintain a **recovery plan** providing for measures to be taken by the issuer to restore compliance with the requirements applicable to the reserve of assets in cases where the **issuer fails to comply**.
- **Holders** of ARTs should have a **permanent right of redemption** so that the issuer is required to redeem the ART at any time. The issuer of ART should redeem either by paying an amount in funds, other than electronic money, equivalent to the **market value** of the assets referenced by the ART, or by delivering the assets referenced by the tokens.



EBA shall develop draft RTS to further specifying the liquidity requirements

## 2 | Specific characteristics per type of crypto-asset

### E-Money tokens

**E-Money tokens must yield to several requirements and should be deemed significant when meeting some conditions**

#### Requirements for the offer of EMT

- The EMT can **only be issued by a credit institution** authorised under Directive on access to the activity of credit institutions and the prudential supervision of credit institutions of the European Parliament and of the Council (2013/36/EU), or **by an electronic money institution** authorised under Directive 2009/110/EC.
- **Issuers** should **draw up a crypto-asset white paper and notify it to their competent authority** and to inform buyers about the characteristics and risks. Furthermore, they should have in place **recovery and redemption plans** to ensure that the rights of the holders of the EMT are protected when issuers are not able to comply with their obligations.
- **Holders** should always be **granted a right of redemption at par value for funds denominated in the official currency** that the EMT is referencing.

#### Significant EMT

- EMT should be **deemed significant when they meet**, or are likely to meet, **at least a large customer base, a high market capitalisation, or a large number of transactions**:
  - During the period covered by the first report of information, following the offer to the public or the seeking admission to trading of those tokens.
  - During the period covered by at least two consecutive reports of information.
- Significant EMT could pose **greater risks to financial stability** so issuers of significant EMT that are electronic money institutions should therefore be subject to additional requirements. Such issuers of significant e-money tokens should be subject to **higher capital requirements**, and subject to **interoperability requirements**
- The appropriateness to classify an e-money token as significant should be reviewed by the Commission as part of its review of the application of this Regulation.
- EBA is in charge of carrying out the annually reassessment regarding the **classification of significant EMT on the basis of the available information**.

## 2 | Specific characteristics per type of crypto-asset

### Other Crypto-assets

**MICA contains some exemptions where issuers of crypto assets other than ART or EMT are not required to notify and publish a crypto-asset white paper**

#### White Paper requirement

- Issuers of crypto assets other than ART or EMT must **notify and publish** a **crypto-asset white paper** and, **if any, the marketing communications** in order to seek admission to trading of a crypto-asset other than ART or EMT within the Union.
- White paper is not necessary when the crypto-asset is already admitted to trading on another trading platform for crypto-assets in the Union; and the crypto-asset white paper is drawn up in accordance with the requirements of the content, and the person responsible for drawing up such white paper consents to its use in writing.

#### Right of withdrawal

- Retail holders who purchase crypto-assets other than ART and EMT either directly from an offeror or from a crypto-asset service provider placing crypto-assets on behalf of that offeror shall have a **right of withdrawal**.
- Retail holders shall have a period of **14 calendar days** within which to withdraw from their agreement to purchase crypto-assets other than ART and EMT without incurring any fees or costs and without being required to give reasons. The period of withdrawal shall begin from the date of the agreement of the retail holder to purchase those crypto-assets



# 3

## Crypto-assets service providers Authorisation conditions

Authorization conditions and requirements must be fulfilled in order to be able to provide crypto- assets services

### Authorisation

Who is entitled to provide crypto-  
assets services?

- A **credit institution**, central securities depository, investment firm, market operator, electronic money institution, UCITS management company, or an alternative investment fund manager that is allowed to provide crypto-asset services.
- A **legal person** that has been authorised as crypto-asset service provider.
- **Other undertakings** that are not legal persons shall only provide crypto-asset services if their legal form ensures a level of **protection for third parties' interests** equivalent to that afforded by legal persons and if they are subject to equivalent prudential supervision appropriate to their legal form.

Authorisation requirements

- **Have a registered office** in a Member State where they carry out at least part of their crypto-asset services. Requirement applies only to ART.
- **Have their place of effective management** in the Union and at least one of the directors shall be resident in the Union.

Scope of the authorisation

- Shall be **allowed** to provide crypto-asset services throughout the Union.
- Seeking to add crypto-asset services to their authorisation shall request the competent authorities that granted their initial authorisation for an **extension of their authorisation** by complementing and updating the information.

# MSiO

## Management Solutions

Making things happen



International  
One Firm



Multiscope  
Team



Best practice  
know-how



Proven  
Experience



Maximum  
Commitment

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