

Crypto regulation in the European Union

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Crypto Legislation

- Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 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

Financial Legislation

- MIFIR
- MiFID II
- Market Abuse Regulation
- Prospectus Regulation

AML Legislation

- Anti-Money Laundering and Counter-Terrorist Financing Directive (AMLD)

Taxation

- Proposal for a Council Directive amending directive 2011/16/EU on administrative cooperation in the field of taxation
- OECD initiative on the Crypto-Asset Reporting Framework (CARF) and the amendments to the OECD Common Reporting Standard (CRS).

Overview



Overview

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In September 2020, the European Parliament presented a draft regulation of the crypto-assets market (Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937, «MiCA»), aimed at establishing a regulatory framework for the issuance of crypto-assets among the 27 member states of the EU.

The European Parliament voted for MiCA's adoption in April 2023. The official entry into force of the new regulation is expected in 2024.

MiCA's major objectives are to provide legal certainty for crypto-assets not covered by existing EU financial services legislation and establish uniform rules for crypto-asset service providers and issuers at the EU level.

MiCA will provide a comprehensive framework for all EU member states, whereby issuers and crypto-asset service providers will not need permission from each individual EU country in order to offer services to their citizens.

The Regulation establishes uniform requirements for transparency and disclosure in relation to the issuance, operation, organisation and governance of crypto-asset service providers, as well as establishes consumer protection rules and measures to prevent market abuse.

Status of regulation:
positive

Tips & Tricks by D&A Partners

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The Markets in Crypto-Assets Regulation (MiCA) represents a significant stride in EU crypto regulation. Introduced in 2023 and set to be fully applicable in 2024, MiCA offers a harmonised European regulatory framework for crypto-assets, balancing innovation with financial stability and investor protection. This comprehensive legal framework covers crypto assets not previously regulated by existing financial services legislation, such as utility tokens, e-money tokens, and asset-referenced tokens (i.e., stablecoins). While MiCA does not regulate non-fungible tokens (NFTs), it can still serve as a reference point for projects involving NFTs, providing a framework for best practices in transparency and investor protection.

MiCA's implementation will be supervised by national authorities within the EU and will require crypto asset service providers to adhere to strict rules regarding transparency, disclosure, and conduct. This includes the obligation to publish a white paper for any public offering of crypto assets, as well as adherence to high standards of honesty.

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