

Madrid, 17 March 2022

Joint press statement by the Banco de España, CNMV and DG de Seguros on the warning by European financial regulators regarding the risks of crypto-assets

The European Supervisory Authorities (EBA, ESA and EIOPA) have today published a warning on the risks of crypto-assets for consumers in the European Union, which make them inappropriate investments or means of payment or exchange for most retail consumers.

The CNMV, the Banco de España and the Dirección General de Seguros y Fondo de Pensiones subscribe to the content of this warning and share the assessment of the risks it identifies, which are in line with those already highlighted in the press statements published in 2018 and 2021.¹

Also, it should be noted that the CNMV and the Banco de España have both taken initiatives in this area over the past year:

- The CNMV has approved a Circular (Circular 1/2022 of 10 January 2022) on advertising in relation to investment in crypto-assets to ensure that advertising campaigns in this area follow certain guidelines as regards their content and format, and that they include sufficient information on the potential risks of the investment.
- By means of Royal Decree-Law 7/2021 of 27 April 2021, which amends Law 10/2010 on anti-money laundering and counter terrorist financing, the Banco de España has set up a Register,² in which providers of certain services in Spain (exchange of crypto currencies for legal tender and custody of digital wallets) must be registered. Such providers are required to have appropriate anti-money laundering and counter terrorist financing measures and procedures in place.

¹ https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/18/presbe2018_07en.pdf
https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/18/presbe2018_07en.pdf

² https://www.bde.es/bde/en/secciones/servicios/Particulares_y_e/registro-de-proveedores-de-servicios-de-cambio-de-monedas-virtual-por-monedas-fiduciarias-y-de-custodia-de-monedas-electronicas/registro-de-proveedores-de-servicios-de-cambio-de-monedas-virtual-por-monedas-fiduciarias-y-de-custodia-de-monedas-electronicas.html

It should be noted that these legal initiatives cover only a very limited part of activity in crypto-assets, and are therefore insufficient to adequately contain the risks highlighted in the press statement by the European authorities, which remain completely relevant.

The supervisory authorities are monitoring the evolution and impact of distributed ledger technologies and crypto-assets in the financial sphere. Research and analysis in this field should not be interpreted either as backing for these technologies or assets, or as meaning that they are subject to supervision.

Although these developments may help to invigorate the sector and the supply of new financial products and services, this potential cannot be fully unleashed until these assets are appropriately regulated (at European level) so that the risks involved for retail investors can be properly mitigated.

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