

**PROPOSED REGULATION ON MARKETS IN CRYPTO-ASSETS**

Crypto-assets are defined as a digital representation of value or rights which may be transferred or stored electronically, using distributed ledger technology or similar technology.

The proposal for the regulation on markets in crypto-assets (the MiCA regulation), published by the European Commission in September 2020 and still under preparation, introduces rules for the following types of crypto-assets:

- Electronic money tokens (EMTs), which are a type of crypto-asset intended to be used as a means of exchange and that purports to maintain a stable value by referring it to the value of a fiat currency that is legal tender.
- Asset-referenced tokens (ARTs), which are a type of crypto-asset, other than EMTs, that purports to maintain a stable value by referring it to any other value or right, or a combination of both, including one or more fiat currencies that are legal tender. The ART issuer must establish and maintain a reserve of referenced assets to maintain the stable value of ARTs.
- Other crypto-assets, other than the above, which are included in the scope of the proposed regulation.

EMTs and ARTs may also be relevant when certain criteria are met or certain thresholds are exceeded (customer base, value of EMTs and ARTs issued, number and value of transactions, etc.).

The proposal contains a number of provisions on the authorisation, supervision, operation, organisation and governance of issuers of the above-mentioned crypto-assets.

Also, it includes rules on the provision of services linked to crypto-assets. These services are:

- Custody and administration of crypto-assets on behalf of third parties.
- Operation of a trading platform for crypto-assets.
- Exchange of crypto-assets for funds or other crypto-assets.
- Execution of orders on crypto-assets on behalf of third parties.
- Placement of crypto-assets.
- Reception and transmission of orders for crypto-assets on behalf of third parties.
- Provision of advice on crypto-assets.
- Management of crypto-asset portfolios.

Also, in relation to the providers of these services, it regulates certain prudential and organisational matters and matters relating to customer information, safeguarding of funds, conflicts of interest and outsourcing.

Lastly, the proposed regulation regulates the supervisory architecture for crypto-assets. In essence, the authorisation of the issuer, the receipt of the white paper relating to the issuance of crypto-assets to be notified by the issuer, and the authorisation of the provision of crypto-asset services are attributed to the national competent authorities (NCAs). The supervision of issuers is also the responsibility of the NCAs, unless the ARTs or MTEs issued are significant, in which case the European Banking Authority and a college of supervisors assume supervisory responsibilities. Lastly, the supervision of crypto-asset service providers is the responsibility of the NCAs.